

# **EXHIBIT J**

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2 C O N F I D E N T I A L

3 UNITED STATES DISTRICT COURT  
4 SOUTHERN DISTRICT OF NEW YORK

5 -----

6 In Re PETROBRAS SECURITIES LITIGATION Case No.

14-cv-9662

7 This Document Applies to: All Cases

8 -----

9

April 28, 2016

10

9:47 a.m.

11

12 Videotaped deposition of MARIA DAS GRAÇAS

13 SILVA FOSTER, taken by Plaintiffs, pursuant to

14 Notice, held at the offices of Pomerantz LLP,

15 600 Third Avenue, New York, New York, before

16 Joseph R. Danyo, a Shorthand Reporter and Notary

17 Public within and for the State of New York.

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HUDSON REPORTING & VIDEO

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2 A P P E A R A N C E S : (Continued)

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2 A P P E A R A N C E S : (Continued)

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Also Present:

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11 ISABELLA ABDELHAY,

RAPHAELA C.N. PERINI RODRIGUES,

12 Petrobras

13 GLENN D. SACKS,  
Marks Paneth  
14  
15 ZILDA BUZACK,  
Portuguese Interpreter  
16 DANNY ORTEGA,  
Videographer

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0006

1 Foster - Confidential  
2 THE VIDEOGRAPHER: We are now on the  
3 record. My name is Danny Ortega. I am the  
4 videographer for Hudson Reporting & Video.  
5 Today's date is April 28, 2016 and the time  
6 is 9:47 a.m. This deposition is being held  
7 at 600 Third Avenue, New York, New York in  
8 the matter of In Re Petrobras for the United  
9 States District Court, Southern District of  
10 New York.  
11 The deponent is Maria das Graca Foster.  
12 Counsel will be noted on the stenographic  
13 record. The court reporter is Joe Danyo,  
14 who will now swear in the witness and the  
15 interpreter.  
16 Z I L D A B U Z A C K, was duly sworn to interpret  
17 the questions from English to Portuguese and the  
18 answers from Portuguese to English:  
19 M A R I A D A S G R A C A S F O S T E R, having  
20 been first duly sworn through the Interpreter by  
21 Joseph R. Danyo, a Notary Public, was examined and  
22 testified as follows:  
23 EXAMINATION BY MS. GILMORE:  
24 Q. Good morning, Ms. Foster. My name is  
25 Emma Gilmore. I represent plaintiffs in this

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2 action. Do you understand that you are here to  
3 testify truthfully today?  
4 A. Yes.  
5 Q. Is there any reason that prevents you  
6 from testifying truthfully here today?  
7 A. No.  
8 Q. Ms. Foster, do you speak English?  
9 A. Yes, I do.  
10 Q. Have you ever taken courses in English?  
11 A. Yes.  
12 Q. Are you conversational in English?

13 A. Yes.

14 Q. Have you ever hosted earnings calls in  
15 English?

16 MR. COOPER: Objection to form.

17 A. Yes.

18 MR. COOPER: Can we just put on the  
19 record our understanding that an objection  
20 by one defense counsel will be treated as an  
21 objection by all defense counsel?

22 MS. GILMORE: Sure.

23 Q. Have you ever been deposed before?

24 A. No.

25 Q. Have you given any declarations before

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2 in connection with the Lava Jato investigation?

3 A. I was a witness for an engineer who  
4 worked for Camargo Correa, actually not -- as a  
5 matter of fact, no. For Andrade Gutierrez.

6 Q. Who was the engineer who worked for  
7 Andrade Gutierrez?

8 A. I did not know him.

9 Q. Were you subpoenaed to testify? Were  
10 you called to testify?

11 A. Subpoenaed to provide testimony  
12 regarding a person I did not know.

13 Q. Who subpoenaed you?

14 A. Moro. Judge Sergio Moro.

15 Q. When did you give that testimony?

16 A. About six months ago.

17 Q. Can you tell me the context of what you  
18 testified about?

19 A. Do you know this gentleman? No. Have  
20 you been with him at a Petrobras construction? No.  
21 Almost for the whole time the answer was no.

22 Q. What is your understanding as to why Mr.  
23 Moro called you to testify?

24 A. I don't know.

25 Q. How long was the testimony for?

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2 A. The testimony in fact just about five  
3 minutes.

4 Q. Did you have a lawyer representing you?

5 A. Attorneys from Petrobras were  
6 accompanying me.

7 Q. Who? Do you know the names?

8 A. Elizabeth, Raphaela. I think these were  
9 the ones. Were you there, Raphaela? No, she was  
10 not. That is it.

11 Q. Other than the testimony you just  
12 testified about, did you give any other testimony  
13 in connection with the Lava Jato investigation?

14 A. No.

15 Q. Did you give testimony before the  
16 parliamentary committee?

17 MR. COOPER: Objection to form.

18 A. Yes.

19 Q. When was that?

20 A. I had a few. There were four CPIs or  
21 parliamentary committees. One in the year of 2015,  
22 two in the year of 2014, and plus two hearings in  
23 the Senate. The Senate and House of  
24 Representatives regarding the same testimony I  
25 provided to the parliamentary committee.

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2 Q. Can you tell me with respect to the  
3 testimony before the CPI, the first one that you  
4 said was in 2015, was it testimony under oath?

5 A. Yes.

6 Q. And you said there were two other  
7 testimonies in front of the CPI in 2014. Were  
8 those testimonies also under oath?

9 A. Yes. Under oath to tell the truth.

10 Q. And the two hearings in the Senate and  
11 the House of Representatives, were those  
12 testimonies under oath as well?

13 A. They do not require the witness or the  
14 person who is providing testimony to be under oath.

15 Q. And were those testimonies you described  
16 truthful and accurate?

17 MR. COOPER: All of them?

18 MS. GILMORE: Yes.

19 A. All of them were accurate and truthful.

20 THE INTERPRETER: The interpreter will  
21 ask the witness to not speak at the same  
22 time because she can't hear at the same time  
23 she is speaking.

24 Q. Ms. Foster, other than the testimonies  
25 that you just described, did you give any other

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2 testimonies in connection with the Lava Jato  
3 investigation?

4 MR. COOPER: Objection to form. The  
5 testimonies that she described before the  
6 CPI and the hearings, she didn't say it was  
7 related to Lava Jato.

8 A. I don't know. Could you repeat your  
9 question.

10 Q. Sure. Let's go back, I just want to  
11 clarify on the record then, the deposition you gave  
12 to the CPI in 2015, was it related to Lava Jato?

13 A. There were themes. There were four  
14 themes, and these themes, they were companies that  
15 sold services to -- engineering services to  
16 Petrobras. This is the connection between the  
17 axils and Petrobras and Lava Jato.

18 Q. The two testimonies in front of the CPI  
19 that you gave in 2014, were those testimonies  
20 related to Lava Jato?

21 MR. COOPER: Objection to form.

22 A. They addressed themes that are part of  
23 Lava Jato.

24 MS. LEVI: Matters.

25 THE INTERPRETER: The interpreter will

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2 replace the word "themes" for "matters."

3 Okay. The interpreter will go either way,  
4 themes or matters. The interpreter thinks  
5 they are replaceable.

6 Q. Ms. Foster, the two hearings that you  
7 gave in the Senate and the House of  
8 Representatives, were those related to Lava Jato?

9 MR. COOPER: Objection to form.

10 A. I had these hearings in the year of  
11 2014. In 2014 I had many hearings, a lot of them,  
12 I don't even know how many, and in 2013, 2012,  
13 2011, 2010, and the Lava Jato themes they keep  
14 changing, and the matter that was not about Lava  
15 Jato on the day that I spoke and then two weeks  
16 after, one month after it turns to be a matter  
17 addressed by Lava Jato or a month later or never.

18 Q. I believe you testified you gave some  
19 testimony in 2011. Is that correct? I'm sorry, in  
20 2010. Is that correct?

21 A. Yes. Where to? I don't remember.

22 Q. You don't remember. Do you remember  
23 whether in the testimony you gave in 2010 had  
24 anything to do with allegations of overpricing or  
25 other irregularities at Petrobras?

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2 MR. COOPER: Objection to form.

3 A. I don't remember. I apologize.

4 Q. Do you have a record of the testimony  
5 you gave in 20 -- the testimony or testimonies you  
6 gave in 2010?

7 A. It is possible.

8 Q. Would you have destroyed or got rid of  
9 it or would you have normally kept it?

10 MR. STRASSBERG: Objection to form.

11 A. Since I retired a year ago it is very  
12 likely that I tossed it away.

13 Q. Do you know who would have a record of  
14 that testimony?

15 A. Congress probably or I'm sorry.  
16 Probably.

17 Q. The testimony you gave in 2010 you  
18 recall was to Congress only?

19 MR. COOPER: Objection to form.

20 A. It might have been to a house of  
21 financial matters or a house that addresses  
22 logistics because the Brazilian Congress has many  
23 working areas, a lot of working areas, sometimes  
24 for a lot of people, sometimes for not so many



25 people.

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2 It is also important to classify the  
3 dates because in 2010 I was an officer of  
4 Petrobras, and later as of February 6, 2013 I  
5 became CEO of Petrobras.

6 Q. Ms. Foster, do you recall if any of the  
7 testimony you gave in 2011 involved allegations of  
8 overpricing or other illicit activity at Petrobras?

9 MR. COOPER: Objection to form.

10 A. 2010, 2011, until February 6, 2013 I was  
11 gas and energy officer, and about this division I  
12 don't remember having. I would only give  
13 presentations about that division, and about that  
14 division it didn't really have any overpricing. It  
15 was a division that didn't suffer as much with  
16 overpricing.

17 Q. And when you mean it didn't suffer as  
18 much overpricing, can you describe for me what that  
19 means?

20 A. Overpricing, when I talk about  
21 overpricing here I am talking about kickbacks or  
22 bribery payments, it was a division, whereas in an  
23 average we could do planning and get to a final  
24 result very close to the planned amount. And at  
25 that time in 2010 we didn't talk about bribery

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2 payments or conspiracy, nor cartel. We didn't talk  
3 about that.

4 Q. What about in 2011, did you talk about  
5 payments or conspiracy or cartel?

6 MR. STRASSBERG: Objection to form.

7 A. No, we did not.

8 Q. When you say we, who do you mean?

9 A. All of us, because there was no  
10 indication of cartel. In 2014 at the Paulo Roberto  
11 Costa plea bargain he said the words cartel,  
12 bribery payments, bribery payments, on this  
13 project, on this project, on that other project.  
14 Therefore and he was arrested.

15 Q. Ms. Foster, in 2010 were you aware of  
16 any indications of overpricing at Petrobras?

17 MR. STRASSBERG: Objection.

18 MR. TURNBULL: Objection to form.

19 A. In 2010 -- where is the person who asked  
20 me? In 2010 in our vocabulary these words such as  
21 cartel, bribery payments, they did not exist.

22 Q. Did the word "overpricing" exist in 2010  
23 at Petrobras?

24 MR. COOPER: Objection to form.

25 A. No, it did not.

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2 Q. In 2010 while you were employed at

3 Petrobras, is your testimony that you never heard  
4 of the word "overpricing" at Petrobras?

5 MR. COOPER: Objection to form.

6 A. No.

7 Q. No means that is your testimony that you  
8 never heard of the word "overpricing" at Petrobras  
9 in 2010?

10 A. Yes, never.

11 Q. In 2011 did you ever hear the word  
12 "overpricing" involving Petrobras?

13 MR. COOPER: Objection.

14 A. 2011, no.

15 Q. In 2012 did you ever hear the word  
16 "overpricing" involving Petrobras?

17 MR. COOPER: Objection to form.

18 A. No.

19 MR. COOPER: You are saying like ever  
20 from any source?

21 MS. GILMORE: The witness understands  
22 the question.

23 MR. COOPER: I just want to make sure I  
24 understand your question.

25 MS. GILMORE: I think she does.

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2 Q. In 2013 did you hear the word  
3 "overpricing" involving Petrobras?

4 MR. STRASSBERG: Objection to form.

5 A. Neither.

6 Q. Neither meaning no?

7 A. No.

8 Q. In 2011 did you give any testimony that  
9 involved any allegations of overpricing at  
10 Petrobras?

11 MR. COOPER: Objection to form.

12 A. No.

13 Q. In 2012 did you give any testimony that  
14 involved any allegations of overpricing at  
15 Petrobras?

16 MR. COOPER: Objection to form.

17 A. No.

18 Q. In 2013 did you give any testimony that  
19 involved any allegations of overpricing at  
20 Petrobras?

21 A. No.

22 MR. COOPER: Objection.

23 Q. When was the first time you became aware  
24 of allegations of overpricing at Petrobras?

25 MR. COOPER: Objection to form.

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2 A. In 2014 the head of downstream, he had  
3 been arrested on the 20th. I forgot to say that he  
4 was no longer an officer of Petrobras. He was a  
5 former officer. And after that day various  
6 different newspaper articles would mention

7 overpricing, overpricing, cartel, overpricing, and  
8 then I did hear about -- and then I did hear  
9 mention about Paulo Roberto when I read Paulo  
10 Roberto's plea bargain where he mentioned all of  
11 the projects or part of the projects that where he  
12 was involved and that these projects were  
13 overpriced and involved bribery payments and there  
14 were potential cartels.

15 Q. Ms. Foster, you testified that the first  
16 time you heard of overpricing was first in 2014  
17 through various articles and afterwards reading  
18 Roberto Costa's plea bargain, correct?

19 MR. COOPER: Objection to form.

20 A. Correct.

21 Q. Were you surprised when you learned of  
22 these allegations?

23 A. We actually read, heard and saw because  
24 it is different. These are different moments and  
25 us officers were terrorized.

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2 Q. What do you mean by officers were  
3 terrorized?

4 MS. GILMORE: Counsel, she is speaking.  
5 You have to let her answer the question  
6 first.

7 MR. COOPER: No, a previous answer.

8 MR. MARTINI: Terrified, not terrorized.

9 THE INTERPRETER: Terrified is better.

10 Thank you.

11 MR. MOEHLMAN: I believe we were going  
12 to do this in Portuguese.

13 MR. MARTINI: Me do, but we were trying  
14 to explain that her question would be  
15 answered by clarifying the translation.

16 MR. MOEHLMAN: Please wait until she  
17 finishes to clarify.

18 MR. COOPER: You know what? She used  
19 the word in the next question. That was a  
20 mistranslation, so we needed to correct it.

21 THE INTERPRETER: The interpreter will  
22 stand corrected. Terrified.

23 Q. What do you mean by officers were  
24 terrified?

25 MS. GILMORE: I'm sorry. Let me just

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2 ask the witness. That is probably a better  
3 source of information.

4 Q. Did you mean to say officers were  
5 terrorized or terrified?

6 A. No, they were terrified. They couldn't  
7 believe it.

8 Q. What couldn't they believe?

9 A. Everything.

10 Q. What is everything?

11 MR. COOPER: Objection to form.  
12 A. Everything that Paulo Roberto Costa  
13 said.  
14 Q. Can you give me some examples?  
15 MR. COOPER: Objection to form.  
16 A. Just a second. Company A paid 3 percent  
17 to the officer of company in area X.  
18 MR. MARTINI: Company area X?  
19 A. To division X.  
20 THE INTERPRETER: Not company.  
21 A. This Paulo Roberto as an example would  
22 make -- distribute into other payments and that is  
23 what it was. It would pay to the government or a  
24 government party, and this was one case, and then  
25 in another project and then the same story and  
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2 another project, same story, and another one also,  
3 and we were scared or terrified and our heart  
4 seemed to explode.  
5 Q. When you said scared or terrified, can  
6 you tell me what is your knowledge about who was  
7 terrified?  
8 MR. COOPER: Objection to form.  
9 A. Okay. Let's pick a word. Graca,  
10 myself, Formigli, the officer, Officer Cosenza and  
11 the engineering officer, the finance officer and  
12 the corporate officer.  
13 Q. Do you know who the engineering officer  
14 is that you were referring to?  
15 A. Yes, Officer Figueiredo.  
16 Q. Do you know who the finance officer is  
17 that you were referring to?  
18 A. Officer Barbassa.  
19 Q. Who was the corporate officer you are  
20 referring to?  
21 A. This one is deceased. Eduardo Dutra.  
22 Q. Prior to 2014 were you ever made aware  
23 of any allegations of irregularities involving  
24 Petrobras?  
25 MR. COOPER: Objection to form.  
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2 A. No.  
3 Q. Prior to 2014 nobody ever told you that  
4 there are any types of irregularities at Petrobras?  
5 MR. STRASSBERG: Objection to form.  
6 MR. TURNBULL: Objection to form.  
7 A. No.  
8 Q. Did you ever have -- between 2010 and  
9 2014 -- strike that. Between 2010 and February  
10 2014 did you ever have any conversations with  
11 anybody at Petrobras about any types of  
12 irregularities at Petrobras?  
13 MR. COOPER: Objection to form.  
14 A. Individuals who addressed me over any

15 type of irregularities, no.

16 Q. What did you do to prepare for today's  
17 deposition?

18 A. Well, I traveled on Sunday, I arrived on  
19 Sunday, I slept a bit, and on Monday I went to have  
20 a meeting with my counsel, my attorney Richard and  
21 many others from Petrobras.

22 THE INTERPRETER: The witness asked the  
23 interpreter to repeat what was just said.

24 A. So these are the individuals with whom I  
25 have been on Monday, Tuesday, Wednesday and this  
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1 Foster - Confidential  
2 morning.

3 Q. And can you tell me was anybody from  
4 Cleary Gottlieb present at any of those meetings  
5 Monday, Tuesday and Wednesday?

6 A. All of them.

7 Q. How long was the meeting on Monday?

8 A. From 10 a.m. to 6 p.m. Actually 11 to  
9 6. On Tuesday it was from 10 a.m. to 8 p.m.  
10 Yesterday was from 10 a.m. to 7:30. And today one  
11 hour before we all sat here.

12 Q. Are you aware that other people have  
13 been deposed in this case?

14 A. Yes.

15 Q. Did you read any of the deposition  
16 transcripts of other people that have been deposed  
17 in this case?

18 A. No.

19 Q. Did you discuss the topic of any  
20 depositions that have taken place in this case?

21 A. No.

22 Q. Did you review any documents that  
23 refreshed your recollection as to the events that  
24 happened in this case?

25 A. During these meetings that I had here in  
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2 New York?

3 Q. Yes.

4 A. I saw a lot of documents, a lot, a lot  
5 of them, but in any way I cannot say that they  
6 refreshed my recollection.

7 Q. Do you recall the general categories of  
8 documents you reviewed that refreshed your  
9 recollection?

10 A. Many documents.

11 MR. STRASSBERG: Objection. She didn't  
12 testify that they refreshed her  
13 recollection.

14 Q. Are there any documents that you  
15 reviewed that refreshed your recollection?

16 MR. STRASSBERG: Objection.

17 MR. COOPER: Asked and answered.

18 THE WITNESS: Should I answer?

19 MR. STRASSBERG: Yes, you can try.

20 A. The thing is that there are a lot of  
21 documents, so I no longer know which one refreshed  
22 my recollection.

23 Q. Other than meeting with your attorneys  
24 on Monday, Tuesday, Wednesday and today, did you do  
25 anything else to prepare for today's deposition?

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2 A. Today I tried to utter sentences. It  
3 was an exercise that I did this morning when I woke  
4 up, just sentences.

5 Q. Before the first time you met with your  
6 lawyers on Monday, did you do anything, anything  
7 else to prepare for today's deposition?

8 MR. COOPER: Objection to form. Asked  
9 and answered.

10 A. No. I tried to keep calm, very calm.

11 MR. COOPER: If you are going to move  
12 onto something else, maybe we can take just  
13 a five-minute break.

14 MS. GILMORE: Sure. Why don't we do  
15 that now.

16 THE VIDEOGRAPHER: The time now is 10:33  
17 a.m. We are off the record.

18 (Recess taken)

19 THE VIDEOGRAPHER: The time now is 10:53  
20 a.m. We are back on the record.

21 BY MS. GILMORE:

22 Q. Ms. Foster, when did you begin your  
23 employment at Petrobras?

24 A. I started to work at Petrobras in 1978  
25 as an intern.

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2 Q. How long were you an intern for?

3 A. Eight months.

4 Q. Did you have another position next?

5 A. And then there was an internal exam and  
6 then I started to take the position of oil chemist  
7 in the exploration and production division and then  
8 I became division coordinator, a section  
9 coordinator, and then head of the sector, the  
10 production and exploration area division head, and  
11 I worked at this research center for 16 years and  
12 then I left the research center and went to a new  
13 division. I went to work at TBG. Petrobras owns  
14 51 percent of the shares of this company.

15 And then I worked as an engineer at the  
16 oil pipe construction that the oil pipe went to  
17 Bolivia. After the oil pipe became ready, I became  
18 a business manager and then I went to work in  
19 downtown, Petrobras' headquarters, and then I was  
20 gas and energy technology manager. And then later  
21 I went to the mining and energy ministry to work  
22 with Ms. Dilma Rousseff, a minister. I worked

23 there for three years, and then I returned to  
24 Petrobras and worked with Paulo Roberto Costa for  
25 six months. I was CEO of Petroquisa.

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2 And then I went to work at BR  
3 Distribuidora as BR Distribuidora CEO. BR's  
4 revenues are approximately at 40 billion reais a  
5 year. And then minister, Ms. Dilma, invited me to  
6 be head of gas and energy. And the same Ms. Dilma  
7 when she was president of the country, on her  
8 second administration, she invited me to be CEO of  
9 Petrobras. Now I am retired. I am a student. I  
10 am on my first year of law school.

11 Q. You want to be like us?

12 A. Yes, of course I can. Yes, I do.

13 Q. Be careful what you wish for.

14 So there was a lot in there. I wanted  
15 to go back to the time that you said you were a gas  
16 and energy technology manager at Petrobras. Do you  
17 recall when you held that position?

18 A. I left this position in January of 2003  
19 and I took on that position in the end of 1999.

20 Q. Just so I understand, when you said I  
21 left this position, what position are you referring  
22 to?

23 A. This position and went to work with  
24 Minister Dilma as oil and gas secretary. I didn't  
25 mention that.

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2 Q. When did you start working with Minister  
3 Dilma as an oil and gas secretary?

4 A. It was in the month of January of 2003.

5 Q. How long did you hold that position?

6 A. Two years and 11 months.

7 Q. Did Ms. Dilma invite you or offer you  
8 the oil and gas secretary position?

9 A. Yes.

10 Q. What is your understanding as to why Ms.  
11 Dilma invited you to be the oil and gas secretary?

12 MR. STRASSBERG: Objection to form.

13 A. Before actually I met Ms. Dilma when I  
14 was building the pipeline between Brazil and  
15 Bolivia, I met her when we were getting the  
16 construction into Rio Grande do Sul.

17 THE INTERPRETER: It was a gas pipeline.

18 A. We had many different interactions. She  
19 got to know my work, and due to this work always  
20 fulfilling the established goals, she invited me  
21 right away to go to Brasilia.

22 Q. After you ended your position as oil and  
23 gas secretary, what did you do next? When your  
24 position ended as oil and gas secretary, what did  
25 you do next?

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2 A. I went back to Rio de Janeiro because  
3 President Dilma started to be the chief of staff  
4 and I did not want to join her on these new  
5 activities, so I went back to Petrobras, and I went  
6 to work with Paulo Roberto Costa for six months at  
7 Petroquimica.

8 Q. What was your position at Petrobras in  
9 2008?

10 A. I was head of gas and energy.

11 Q. At what point were you elevated to the  
12 position of president or CEO of Petrobras?

13 A. February 13, 2012.

14 Q. As a director of gas and energy at  
15 Petrobras were you a member of the executive board  
16 of Petrobras?

17 A. No.

18 Q. When did you first -- did you at any  
19 point become a member of the executive board of  
20 Petrobras?

21 A. No. I think there is a translation  
22 mixup here. I was head of gas and energy and I was  
23 also part of the executive board.

24 Q. And as a member of the executive board,  
25 what were your duties?

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2 MR. COOPER: Objection to form.

3 A. As a member of the board, actually  
4 98 percent of my time was occupied as a head of oil  
5 and energy. Gas and energy, not oil and energy.

6 THE INTERPRETER: The interpreter will  
7 correct herself.

8 A. And on board meetings as a member of the  
9 executive board, each one of us had an agenda with  
10 our themes to be presented during that meeting, and  
11 the CEO had the sum of all the agendas to be  
12 presented and would hear the other members of the  
13 board, and we would discuss the quality, the  
14 importance and the urgency of those themes that  
15 were presented to the executive board.

16 Q. Do you recall some of the important  
17 themes that were presented to the executive board  
18 at the time you were a member of the executive  
19 board of Petrobras?

20 MR. STRASSBERG: Objection.

21 A. I can mention even though you are asking  
22 me about 2008, I can say that presalt was  
23 discovered in 2006 when I was head of BR  
24 Distribuidora, and I can say that this presalt  
25 matter occupied our agendas every year until today

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2 with CEO Bandine. To this day with Mr. Bandine as  
3 CEO this matter continues to be addressed and  
4 discussed.



5 Q. At any time, not just 2008, but at any  
6 time that you are a member of the executive board  
7 at Petrobras, were you ever involved in approving  
8 contracts relating to refineries?

9 MR. STRASSBERG: Objection.

10 MR. SIMSHAUSER: Objection to form.

11 A. Yes.

12 Q. Can you describe for me the types of  
13 contracts you were involved in approving?

14 A. Refinery contracts. This was your  
15 question, right?

16 Q. Yes.

17 A. Refinery contracts related to market  
18 presentation, if it is growing or going down, and  
19 logistics for the flow of this new production  
20 either inside Brazil or outside Brazil, and in the  
21 meantime phases 1 through 4 were worked on and at  
22 each phase a few activities would be initiated.

23 In the case of phase 3, between going  
24 from phase 3 to 4, that is when we start to  
25 effectively build the refinery. There is an

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2 important time which is when land is acquired, so  
3 biddings to own the basic mature project.

4 MS. GILMORE: Sir, you have got to let  
5 her answer the question.

6 MR. COOPER: We have a translation.

7 MS. GILMORE: But she was still --

8 MR. COOPER: It is the translation of  
9 what she just said.

10 MS. GILMORE: She wasn't finished with  
11 her answer. We agreed she would finish her  
12 answer and then...

13 MR. COOPER: Okay. We weren't  
14 objecting, we were correcting the  
15 translation.

16 MS. GILMORE: But she was in the middle  
17 of her answer.

18 MR. BARROSO: Okay.

19 A. So that is the time when tenders or  
20 biddings happened for acquisition of the units and  
21 the acquisition of a few special pieces of  
22 equipment. These are the biddings that we do and  
23 then after that, there is service biddings and then  
24 the completed project and the units' commissioning.

25 THE INTERPRETER: There is an important  
0033

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2 time when land is acquired so biddings. You  
3 want instead of own to procure.

4 MR. MARTINI: Yes.

5 THE INTERPRETER: Instead of own,  
6 procure. Sure.

7 MR. MARTINI: It was on page 27, line 7.

8 Q. Ms. Foster, what types of information

9 did you consider as a member of the Petrobras  
10 executive board in determining whether to approve  
11 contracts?

12 MR. COOPER: Objection to form.

13 A. I would actually like the question to be  
14 clarified.

15 Q. What don't you understand about the  
16 question?

17 A. I was a bit confused as when we approved  
18 the projects, which individuals would be in the  
19 room?

20 Q. Let me try and rephrase it. As a member  
21 of Petrobras' executive board, were you involved in  
22 approving any contracts related or planning related  
23 to the Abreu e Lima refinery?

24 MR. COOPER: Objection to form.

25 A. Okay. When you start to be an officer  
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2 of Petrobras, as soon as you go into the room, all  
3 we are are officers. So the Abreu e Lima refinery  
4 matter, so in the FSPO floating, storage,  
5 production and offloading are approved or not  
6 approved by the same officers.

7 So as Abreu e Lima's head of energy and  
8 gas, I would approve the project. So I also  
9 approved the projects of Abreu e Lima.

10 THE INTERPRETER: So as head of energy  
11 and gas, I would also approve Abreu e Lima's  
12 projects.

13 Q. And what type of information would you  
14 consider in approving the Abreu e Lima projects?

15 MR. COOPER: Objection to form.

16 A. The information was provided by the head  
17 of the division. The head of the division, we have  
18 what we call, it is a document called DIP, which is  
19 a Petrobras internal document, and this DIP would  
20 come to the board many different times as the  
21 project advanced as it would change phases. We  
22 would go from phase 1 to phase 2 and then phase 2  
23 to phase 3 and then finally to phase 4.

24 So the executive manager of the head who  
25 was in charge of that refinery, he would submit it  
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2 to the division officer or head of the division and  
3 sign it, and the head of the engineering division  
4 and his executive manager, engineering executive  
5 manager, would sign it, would sign all the contents  
6 up until that time, and none of the other officers  
7 nor the CEO would conduct any studies to find out  
8 if the information provided by the downstream  
9 officer of that refinery was correct or not.

10 Q. Why wouldn't the executive officers or  
11 the CEO conduct any studies to find out if the  
12 information provided by the downstream officer of

13 the refinery was correct or not?

14 MR. COOPER: Objection to form.

15 A. Because it would be humanly impossible.

16 Because at the same time I had to do all types of

17 work for the energy and gas division and for the

18 international division, and that is the main

19 reason.

20 It is important to close my answer to

21 your question to say that the responsibility goes

22 all to the head of downstream and of the

23 engineering division as well.

24 Q. In connection with the projects of the

25 Abreu e Lima refinery, as a member of the executive

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2 board did you have to approve those projects?

3 MR. COOPER: Objection to form.

4 A. Yes.

5 Q. Why?

6 A. Because the management were executive

7 board. When it approves a project, it means it is

8 an important project for the company and we are all

9 equally responsible for the success of that

10 project. If there is information that is

11 inappropriately worked or inappropriately dealt

12 with by the head of the engineering division, it is

13 understood that it is a mistake by all.

14 Q. Who was the head of the engineering

15 division at Petrobras as you recall between 2009

16 and 2014?

17 A. From 2009 to 2012 it was Renato Duque

18 and we had Figuereido from 2012 to 2015.

19 Q. Do you know why Mr. -- did Mr. Duque

20 leave the company in 2012?

21 A. If I know? Mr. Duque did not want to

22 work with me. He didn't tell me that directly, but

23 he made others come to me with that information,

24 and what he told me is that he was going to take

25 care of his own company.

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2 Q. What is your understanding as to why Mr.

3 Duque did not want to work with you?

4 A. I thought about that many times. I am a

5 very centralizing person and I am a person who has

6 high demands. I was told I am a person who gets

7 mad, but I don't. This is it. It is because they

8 didn't want to work with me because I have a --

9 actually all of them, all males were working with

10 Gabrielli for almost nine years and so was I, and

11 Gabrielli was always a very sweet person, a gentle

12 person, and he wants to see the work done, but he

13 doesn't really demand a lot. I was very happy

14 working with him.

15 There are a lot of features Gabrielli

16 has that I would like to have, so that was it.

17 Renato Duque had his own company and he did not  
18 want to work with me.

19 Q. During the time you were employed at  
20 Petrobras did you have any disagreements with Mr.  
21 Duque?

22 MR. STRASSBERG: Objection.

23 A. Many, many.

24 Q. Can you describe for me the types of  
25 disagreements you had with him?

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2 A. Because he is in charge of the project  
3 deadlines, duration deadlines, and he is in charge  
4 of project quality, and what I mean by quality is  
5 in every meaning of the word such as from materials  
6 to having everything working and we in charge of  
7 gas and energy production and exploration and  
8 downstream were in charge of the resources, and if  
9 we take years to complete a project, it becomes  
10 more expensive and only very much further down the  
11 line is where you are going to collect the funds  
12 for this project, so my arguments with Duque were  
13 always these long discussions.

14 THE INTERPRETER: The interpreter is  
15 repeating where the witness stopped.

16 A. Period.

17 Q. Can you give me some examples of the  
18 specific arguments you had with Mr. Duque?

19 MR. COOPER: Objection to form.

20 Misstates testimony.

21 THE WITNESS: But I can answer, right?

22 A. I will give you some examples. You are  
23 building or in this case he is building a gas  
24 pipeline, 1,000 kilometers or 2,000 kilometers, and  
25 for that there are a lot of companies that have

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2 parts of it to build. Certain parts of it to build  
3 and a few of them, not many when you look at the  
4 whole construction and you look at the whole  
5 construction and it is much farther behind or  
6 slower than the others, and I would always visit  
7 the construction, always look at them with my team,  
8 and I would look and say this company is going to  
9 delay the construction by months, and what happened  
10 is that there was a construction right behind it,  
11 and if that one was delayed, the other one would be  
12 delayed as well because it couldn't connect to that  
13 one, and I would tell him, remove this company from  
14 my construction because I'm not going to pay and  
15 then you can imagine the havoc that it created.

16 Q. What specific argument did you have with  
17 Mr. Duque, if any, with respect to the Abreu e Lima  
18 refinery?

19 MR. COOPER: Objection to form.

20 A. I didn't have great arguments with Mr.

21 Duque regarding the engineering construction,  
22 because as head of the division I didn't go visit  
23 the refinery constructions that much. I didn't  
24 have that type of commitment. I had discussions  
25 with Officer Paulo, Roberto, because he should  
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2 expect more or demand more, because I thought he  
3 should demand more from Renato Duque.

4 Q. And when you say that Paulo Roberto  
5 should have demanded more of Renato Duque, what do  
6 you mean?

7 A. That he should also visit the  
8 constructions, and Paulo did that. He would do  
9 that to be firmer about completing the projects and  
10 to start out a new project if necessary. Would  
11 visit the construction sites.

12 Q. Did you believe that the projects would  
13 be completed quicker?

14 MR. COOPER: Objection to form.

15 A. It is possible. It is possible.

16 Q. What is the basis for your answer?

17 A. There are very simple things. Let's say  
18 you were at a construction site in Rio Grande do  
19 Norte and you are building a thermal electrical  
20 plant that huge, construction lasting between four  
21 and five years, and there are a lot of  
22 construction, you have a lot of engineers that are  
23 born in Rio Grande do Norte, they are from Rio  
24 Grande do Norte, whose companies are from Rio  
25 Grande do Norte, and the companies are from Rio  
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2 Grande do Norte, many different small companies are  
3 from Rio Grande do Norte, so the state governor  
4 does not want the construction completed. The  
5 region's mayor does not want the construction to be  
6 completed so the Rio Grande do Norte engineer does  
7 not want to leave Rio Grande do Norte. So it is  
8 something simple, trivial, but that delays the  
9 construction by one to two years.

10 A union was created just for that  
11 specific thermal electrical plant, because there is  
12 nothing there before, and they are going to start  
13 receiving zero money after the construction project  
14 because there is nobody there working. It has  
15 5,000 to 10,000 employees and the thermal  
16 electrical plant is going to be functioning with 30  
17 individuals. Okay.

18 Q. Do you know who was the state governor  
19 who did not want the project to be completed?

20 MR. COOPER: Objection to form.

21 A. I know the state governor did not want  
22 the production units to be completed in the south  
23 of Brazil. The construction would not be completed  
24 until there were more production units to bring

25 over to the shipyard, and that cannot exist because  
0042

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2 there is a bidding process. Whoever wins it takes  
3 it.

4 Q. Can you explain to me what you mean that  
5 it does not exist because there is a bidding  
6 process, whoever wins it takes it?

7 A. Is that what she wants to know? We have  
8 12 huge shipyards in Brazil, and we have, no, not  
9 that we have, but we work with a lot of additional  
10 shipyards in China, Korea, Singapore, and when we  
11 have a tender, we invite all of the shipyards who  
12 have experience with this type of floating unit  
13 that we need, and there is a bidding process, so  
14 whoever has the best project with the lowest price  
15 and less time to complete it will have their  
16 project approved, and that project will be built or  
17 into construction either in a shipyard in China if  
18 China is the one who won it or Rio Grande do Sul in  
19 Brazil.

20 Q. And what was wrong with the specific  
21 bidding process you just described?

22 MR. COOPER: Objection to form.

23 MR. TURNBULL: Lack of foundation.

24 A. Because in that case the government  
25 leaves -- no, actually not the government but the  
0043

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2 employee leaves, employees leave to go look for  
3 work elsewhere or they either stay in that same  
4 state and they create a lot of social problems that  
5 the government or the governor of that state has to  
6 address because there are no other vessels to be  
7 built there.

8 What happens is that the person in  
9 charge of that construction usually, he or she  
10 takes all of those workers of that construction  
11 site to work at other states throughout Brazil, and  
12 they do not always want to go, and that becomes  
13 complicated.

14 Q. You also mentioned that the region's  
15 mayor with respect to this project did not want the  
16 project to be completed. Can you tell me who the  
17 region's mayor was?

18 MR. COOPER: Objection to form.

19 A. I don't remember.

20 Q. What is your understanding as to why the  
21 region's mayor did not want the project to be  
22 completed?

23 MR. COOPER: Objection to form.

24 A. He thinks, well, it is obvious, he  
25 thinks he is going to lose all of those 4500  
0044

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2 workers that are working there, and that is the

3 case and the heat-up of the internal market such as  
4 supermarkets, they create various different little  
5 towns around it, and all of these things are going  
6 to end because the workers are going to leave.

7 Q. What is your understanding -- strike  
8 that. Did Mr. Duque agree with the state governor  
9 and the region's mayor on this issue?

10 MR. COOPER: Objection to form.  
11 Misstates testimony.

12 A. I don't know.

13 Q. Do you know whether Mr. Duque was  
14 friendly with the state governor?

15 A. I don't know. All I know is that I  
16 didn't have, I tried not to have any relationships  
17 with any governors or mayors or with anyone like  
18 that because I didn't want them to ask me for  
19 anything, but I don't know if Duque had or not.

20 Q. Why didn't you want to have a  
21 relationship with the governors or anyone like  
22 that?

23 MR. COOPER: Objection to form. Asked  
24 and answered.

25 A. Because they thought like that. Oh, the  
0045

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2 construction is going to end, and then they would  
3 start to ask, is there going to be another  
4 construction here? Where are you going to send the  
5 construction? And then the two governors are  
6 friends, so they start to delay licenses.

7 Q. And how did you learn with respect to  
8 the project you just testified about, how did you  
9 learn that the state governor and the region's  
10 mayor did not want the project to be completed?

11 MR. STRASSBERG: Objection.

12 A. Because they were worried about losing  
13 the workers, which would result in social problems  
14 for the city, but if you tell him, oh, no, but I  
15 have two more thermal plants to build, and then the  
16 governor will let construction be completed  
17 quicker, because there are two more constructions  
18 and then two more governors. Two more  
19 constructions and then two more governors.

20 THE INTERPRETER: That is what the  
21 interpreter heard.

22 A. Because there are two more thermal  
23 electrical plants. Thermal electrical power  
24 plants.

25 THE INTERPRETER: Okay.

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2 Q. Which --

3 MR. COOPER: We have been going over an  
4 hour. We should take a break soon.

5 Q. Which were the two thermal electrical  
6 power plants?



7 MR. COOPER: Objection to form.

8 A. A good example that fits into it is  
9 Seropedica in Rio de Janeiro.

10 Q. What was the second one if you remember?

11 MR. STRASSBERG: Objection.

12 MR. COOPER: Objection.

13 A. It was an upgrade to Seropedica. We  
14 built a plant that was larger than Seropedica  
15 itself.

16 Q. When you said earlier that you learned  
17 of the state governor and the region's mayor did  
18 not want the project to be completed, how did you  
19 learn that?

20 A. Due to the pace of the construction  
21 itself, you notice that the pace is dropping  
22 without any explanations, and in case of platform  
23 construction, you build one part and the workers  
24 themselves take advantage of a certain moment in  
25 time and they break down the platform that was just  
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2 built or that was built, and that continues like  
3 that. And that stays like that.

4 THE INTERPRETER: Not continues. That  
5 stays like that.

6 Q. Who other than you at the time knew that  
7 the state governor and the region's mayor did not  
8 want the project to be completed?

9 MR. COOPER: Objection to form.

10 A. I believe that this matter is a matter  
11 discussed by the executive board, because this  
12 results in losses for the company. That is a  
13 point.

14 THE VIDEOGRAPHER: The time now is 12:02  
15 p.m. We are off the record.

16 (Recess taken)

17 THE VIDEOGRAPHER: The time now is 12:28  
18 p.m. We are back on the record.

19 BY MS. GILMORE:

20 Q. Ms. Foster, the project you testified  
21 about earlier pursuant to which the state governor,  
22 with respect to which the state governor and the  
23 region's mayor did not want it to be completed, did  
24 that project relate to the Abreu e Lima refinery?

25 MR. COOPER: Objection to form.

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2 A. No, it was not related to Abreu e Lima.

3 Q. What was it related to?

4 MR. COOPER: Objection to form.

5 A. They are regarding thermal electrical  
6 units that are situated in the state of Ceara, and  
7 the last ones that I mentioned about platform  
8 production units, they are located in Rio Grande do  
9 Sul.

10 Q. Are those related to the COMPERJ



11 refinery?

12 MR. COOPER: Objection to form.

13 A. No. COMPERJ is located in Rio.

14 Q. Did you have any disagreements with Mr.  
15 Duque with respect to the COMPERJ refinery?

16 A. The officer who is in charge of  
17 budgeting for COMPERJ is Paulo Roberto Costa. So  
18 the two used to have interactions about the  
19 efficiency and the expedition of the construction.  
20 I did not have any relationship with them unless  
21 for the executive board.

22 Q. And when you say the two used to have  
23 interactions about the efficiency and the  
24 expedition of the construction, what do you base  
25 your testimony on?

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2 A. In the meetings that they held, I did  
3 not attend them, but I knew of those meetings and  
4 that they were held.

5 Q. How did you know of those meetings and  
6 that they were held?

7 A. Because I would come to the executive  
8 board meeting and I would hear we had a meeting  
9 today with this company who is a supplier and then  
10 if that company does not resume its operational  
11 efficiency, it will have to be removed from the  
12 construction and from the Petrobras supplier's  
13 list.

14 Q. During the course of the meetings that  
15 you attended as part of the executive board  
16 meetings, can you describe for me what the  
17 interactions were between Mr. Duque and Mr. Costa  
18 with respect to the efficiency and expedition of  
19 the COMPERJ construction?

20 MR. COOPER: Objection to form.

21 A. Discussions were always around higher  
22 cost, service and construction costs were higher  
23 and taking more time to complete it than was  
24 planned.

25 Q. Can you describe for me whether there

0050

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2 were specific disagreements with respect to higher  
3 costs of COMPERJ?

4 MR. COOPER: Objection to form.

5 THE INTERPRETER: The interpreter is  
6 translating the objection.

7 A. Well, COMPERJ is a project that changed  
8 a lot. The project scope changed more than three  
9 times. This means more delays and more money  
10 spent. So this was always the explanation why  
11 COMPERJ project prices were so high. But there is  
12 a huge reason or very significant reason because  
13 this industrial park, it was supposed to be a  
14 refinery of more than 165,000 barrels a day. There

15 is the possibility of building another train. What  
16 I mean by another train is another plant to work  
17 jointly with the first one. But Petrobras doesn't  
18 know when it will be able to build these additional  
19 165,000 barrels.

20 So this small refinery, COMPERJ refinery  
21 of 165,000 barrels, has to pay for facilities such  
22 as hydrogen, oxygen, water, steam, electrical  
23 aspects and many others. Is it clear that COMPERJ,  
24 it is a tiny plant, it has a tiny plant that is  
25 there all by itself and it has to pay by itself.

0051

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2 It has a tiny plant that is there and it has to pay  
3 by itself. Not by there itself.

4 THE INTERPRETER: It is the  
5 interpreter's mistake.

## Commercially Sensitive

16 Q. Ms. Foster, do you know Mr. Jorge  
17 Zelada?

18 A. Yes, I do.

19 Q. Was he employed at Petrobras?

20 A. He used to be employed by Petrobras.

21 Q. What was his position at Petrobras?

22 A. His last position at Petrobras was

23 international division officer.

24 Q. Do you know whether Mr. Zelada left

25 Petrobras in or around 2012?

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2 A. It was in June of 2012.

3 Q. What is your understanding as to why Mr.

4 Zelada left Petrobras in or around June 2012?

5 A. Because of me.

6 Q. Can you tell me why because of you?

7 A. Because they all, the ones who were  
8 there, thought I was too centralizing. I want to  
9 know, I want to see, and that disturbed them a  
10 great deal.

11 Zelada, I'm not sure if it is his  
12 company, but he had gotten a job overseas to deal  
13 with natural projects. This is it.

14 Q. Did you and Mr. Zelada have any  
15 disagreements?

16 A. No.

17 MR. STRASSBERG: Objection.

18 Q. Did you and Mr. Zelada have any

19 differences of opinion at any point when you were  
20 both employed at Petrobras?

21 MR. COOPER: Objection to form.

22 A. Yes, we did.

23 Q. What were those differences?

24 A. The differences were regarding details.

25 I wanted to get to know about the details of his  
0053

1 Foster - Confidential

2 projects, but he didn't always knew them. He  
3 didn't always knew them. Didn't always know them.

4 THE INTERPRETER: I'm sorry.

5 A. So it was difficult to talk to someone  
6 who didn't have any information to provide, so I  
7 would end up losing my patience, but I was only his  
8 co-worker because I was head of the gas and power  
9 division.

10 Q. What kind of details were you looking to  
11 obtain from Mr. Zelada?

12 MR. COOPER: Objection to form.

13 A. As I sit here, I don't remember, because  
14 it was almost on a daily basis because we worked  
15 together for three and a half years, almost four  
16 years.

17 Q. Do you remember whether the details you  
18 were looking to obtain had to do with bidding  
19 processes?

20 MR. COOPER: Objection.

21 A. No. They were more about projects and,  
22 and he would not attend presentations, and there  
23 were also details about contracts that were not  
24 present, so we had a lot of arguments around that,  
25 but regarding bidding, it wasn't really a weekly  
0054

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2 fight, no.

3 THE INTERPRETER: The interpreter will  
4 stand corrected. He didn't provide  
5 presentation lines and not that he didn't  
6 show up on presentations. Thank you.  
7 That's correct.

8 Q. When you say the bidding arguments were  
9 not really a weekly fight, can you describe for me  
10 what types of fights you had about bidding?

11 MR. STRASSBERG: Objection to form.

12 A. I said that there were not fights about  
13 biddings because there is a manual to be followed  
14 for bids, but a few elements that comprised what to  
15 present to suppliers were not always shown or not  
16 every time or a few times only were shown to us,  
17 the other executive board members clearly.

18 Q. Are you done with your answer? Can you  
19 describe for me what the elements were that were  
20 not presented to the other executive board members?

21 MR. COOPER: Objection to form.

22 Misstates her testimony.

23 THE INTERPRETER: Is this lady that you  
24 are translating for, is she a judge?  
25 Q. Me?

0055

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2 A. I would like to know to address you.  
3 Q. Emma.  
4 THE INTERPRETER: Everything that is  
5 said by the witness has to be translated.  
6 A. Mrs. Emma. It is a bit difficult  
7 because your question is a bit vague.  
8 Q. Okay. Let me try to clear it up. You  
9 said that there is a manual for the bidding process  
10 to be followed, but a few elements that comprise  
11 what to present to suppliers were not always shown  
12 or not every time or a few times only were shown to  
13 us, the other executive board members clearly.

14 A. Yes.  
15 Q. My question is what were those few  
16 elements that you just testified to.  
17 A. I understand. I understand.  
18 THE INTERPRETER: Should the interpreter  
19 interpret anyway?

20 MR. COOPER: Yes, please.  
21 A. Sometimes they would not be clearly  
22 specified the number of office pieces of equipment,  
23 number of xerox copy machines as an example, how  
24 many men, as an example, would work with carpentry  
25 and compensation. This doesn't seem like much, but

0056

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2 when the report is audited or the documents  
3 regarding contracting are audited or procurement,  
4 the auditor will ask every member of the executive  
5 board, but you didn't see this, you didn't see  
6 that, and that is an issue because it wasn't  
7 presented, so we could not have seen it.

8 Q. Was it important for you to see this?  
9 MR. COOPER: Objection to form.

10 A. It was important if that information  
11 would be important for that specific project.  
12 Q. Let's go to Mr. Costa. Have you at any  
13 point in time worked with Mr. Costa?

14 A. Yes.  
15 Q. Can you tell me what was Mr. Costa's  
16 position at Petrobras?

17 MR. COOPER: At what time?

18 Q. When you worked with him between 2010  
19 and 2012.

20 A. I worked with Mr. Costa in 2005 towards  
21 the end of 2005, towards the end of 2005 and the  
22 beginning of 2006, during six months, so he was an  
23 officer. There were four divisions connected to  
24 him, and one of them was petrochemical and I was  
25 the CEO of a company named Petroquisa.

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2 Q. Did Mr. Costa leave Petrobras at one  
3 point?

4 A. He was fired right after I started to  
5 occupy the position as CEO of Petrobras. He was  
6 fired two months after that with Renato Duque.

7 Q. What is your understanding as to why Mr.  
8 Costa was fired?

9 A. He was fired by the board of directors.  
10 He was occupying the executive board since 2004 for  
11 nine years. He was also a hard working man, very  
12 intelligent, but the way he worked was as if  
13 downstream were a different company altogether and  
14 not part of Petrobras. He received -- he was a  
15 very centralizing man. He received the company's  
16 budget. It is not like he put it in his pocket,  
17 but he would receive it and others, I would receive  
18 the budget and others would as well, and after  
19 receiving it, he would not let anybody know about  
20 anything.

21 And when I started to occupy my position  
22 as CEO and at that time the budget resources  
23 stopped being by division and started -- and became  
24 budgeting by project, and he was very disturbed by  
25 that. I have a lot of e-mails that I sent to him  
0058

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2 requesting him what we call S curves, physical and  
3 financial S curves, and he didn't like that idea at  
4 all. So he never liked to follow orders and to  
5 tell where he was going. Things like that that we  
6 need to know.

7 So I had a discussion with the mining  
8 and energy minister. Petrobras is connected to the  
9 mining and energy minister, and the minister then  
10 contacted Paulo Roberto and asked Paulo Roberto to  
11 leave the company. That is what he did.

12 Q. And when you said you had a discussion  
13 with the mining and energy minister, who was the  
14 mining and energy minister at the time?

15 A. It was Minister Lobao. I don't know his  
16 full name.

17 Q. Can you describe for me the discussion  
18 you had with Minister Lobao about Mr. Costa?

19 A. I wasn't present, I only know what Paulo  
20 Roberto Costa spoke at a Senate parliamentary  
21 committee, and that he was asking to leave the  
22 company, and he understood very well why he was  
23 asking to leave the company, that every person who  
24 becomes a CEO comes in with their own ideas, and he  
25 said that he was not the only one who was leaving.

0059

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2 He spoke about himself, that he was leaving. He  
3 spoke about Zelada, Duque, and he also spoke of our  
4 dear head of production and exploration at the

5 time, Mr. Estrella.

6 This gentleman, Mr. Estrella, also left  
7 as soon as I started, but it is important to  
8 mention that he left the company because he was  
9 very tired. He was much older than we were, and he  
10 returned to his small farm.

11 Q. And you mentioned that Mr. Costa spoke  
12 at a Senate parliamentary committee. Do you recall  
13 when he spoke at that committee?

14 A. It was in 2014 on March 20th, Paulo  
15 Roberto had been arrested, and he stayed in jail  
16 for about three to four months, and then he left,  
17 and then the Senate contacted Paulo Roberto to  
18 depose. To provide testimony. To speak.

19 THE INTERPRETER: The interpreter will  
20 go back. Contacted Paulo Roberto to speak.

21 A. And then after a few days he was  
22 arrested again, but at the first time when he was  
23 arrested, when he explained why he had been fired,  
24 there is a page on the transcription of the  
25 parliamentary committee's report -- am I speaking  
0060

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2 English? This transcription is in Portuguese, so  
3 it is important to try and get this translation and  
4 to print it. So he was very honest at describing  
5 his leaving the company.

6 Q. Did you read the transcription where Mr.  
7 Costa explained why he had been fired?

8 A. Yes.

9 Q. And what is your understanding as to why  
10 Mr. Costa was fired?

11 MR. COOPER: Objection. Asked and  
12 answered.

13 A. He was fired because he would turn the  
14 downstream division into Petrobras. He was a very  
15 free person. He did not tell much.

16 Q. And when you say that he turned the  
17 downstream division into Petrobras, what do you  
18 mean by that?

19 A. He was the king. He was a king. He  
20 only needed his division to do everything. He  
21 didn't like to tell much.

22 MR. COOPER: We are almost ten after 1.

23 MS. GILMORE: Why don't we stop then and  
24 do you want to pick up at 2 or earlier?

25 MR. COOPER: Let's aim for earlier.

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2 Let's go off the record.

3 THE VIDEOGRAPHER: The time now is 1:09  
4 p.m.

5 (Lunch recess: 1:09 p.m.)

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0062

1 Foster - Confidential  
2 Afternoon Session  
3 1:57 p.m.  
4 THE VIDEOGRAPHER: The time now is 1:57  
5 p.m. We are back on the record.  
6 MARIA DAS GRACAS FOSTER, having  
7 been previously duly sworn, was examined and  
8 testified further as follows:  
9 EXAMINATION (Continued)  
10 BY MS. GILMORE:  
11 Q. Ms. Foster, prior to the break you  
12 referred to Mr. Costa as a king, correct?  
13 A. Yes.  
14 Q. What is your understanding as to why Mr.  
15 Costa had so much power?  
16 MR. COOPER: Objection to form.  
17 A. I don't know.  
18 Q. Do you know why he was permitted to have  
19 so much power?  
20 MR. COOPER: Objection to form.  
21 A. I'm not sure if he had so much more  
22 power than I did or more power than the other  
23 executive board members had.  
24 Q. Why did you refer to him as a king?  
25 A. When I used to go to the state of Bahia

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2 up in the northeast of Brazil, I used to tell my  
3 boss's assistant or secretary. My boss was  
4 Gabrielli. I will come back in two days. Paulo  
5 Roberto on the other hand used to not advise. That  
6 is just an example. Used to not inform of that.  
7 Q. And you testified earlier that Mr. Costa  
8 would not share budget information with other  
9 members of the executive board. Can you tell me  
10 what is your understanding of why he didn't want to  
11 share budget information?  
12 MR. COOPER: Objection to form.

13 THE INTERPRETER: The interpreter will  
14 repeat the question.

15 A. Did I say that he shared or didn't share  
16 budgets with other board members?

17 Q. He did not.

18 A. I would like to see that.

19 (Record read)

20 MR. COOPER: Then is there a question  
21 about this?

22 MS. GILMORE: Yes.

23 Q. Do you want me to read the question  
24 again?

25 THE INTERPRETER: The interpreter will  
0064

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2 read the actual question again.

3 (Record read)

4 MR. COOPER: I object to the form.

5 Misstates prior testimony.

6 A. I continue thinking that I did not say  
7 that he did not want to show the budgets that he  
8 applied on which phases of which projects. What  
9 was read above says, what is here, Pedro?

10 MR. MARTINI: The translation was  
11 correct.

12 THE WITNESS: But did I say that,  
13 really?

14 MR. STRASSBERG: It is up for Ms.  
15 Gilmore to ask questions and you try to  
16 answer them as best you can.

17 Q. Ms. Foster, was there any time that Mr.  
18 Costa did not share budget information with other  
19 members of the executive board?

20 MR. COOPER: Objection to form.

21 A. I don't know.

22 Q. Let's go back to your testimony about  
23 the executive board's process of approval for  
24 projects. What type of information did the  
25 executive board consider in approving projects?

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2 MR. COOPER: Objection, vague.

3 A. Phase 1, the consolidation of the  
4 opportunity to build a certain industrial unit,  
5 opportunities, when I say opportunities, I say  
6 mainly markets just to simplify it. Regarding the  
7 budget, during that phase, phase 1, we have a  
8 variation that can go from minus 15 percent to  
9 minus 35 percent. I'm sorry, minus 50 percent.

10 Q. 50?

11 A. 50.

12 THE INTERPRETER: The witness corrected  
13 herself from minus 15 to minus 50.

14 A. During the second phase it is more in  
15 depth. All the market studies have been conducted  
16 and tested. The technology has been selected, and



17 there is a variation of minus 15 to minus  
18 35 percent.

19 On phase 3 after that, the variation  
20 usually is between minus 15 through 20 percent, and  
21 if there is approval by the executive board, we go  
22 into phase 4, and that is when there is a need for  
23 labor, land acquisition and various different  
24 biddings.

25 Q. And with respect to let's go by each  
0066

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2 phase. With respect to phase 1, what kinds of  
3 information does the board consider prior to  
4 approval?

5 MR. COOPER: Objection to form.

6 A. The business committee recommends or not  
7 approval to the executive board.

8 Q. And what kind of information does the  
9 business committee provide to the executive board  
10 in connection with phase 1?

11 A. It confirms market studies conducted.  
12 It confirms the existence of technology and  
13 confirms the calculations conducted regarding the  
14 present value.

15 Q. Then in connection with phase 2, what  
16 type of information does the executive board  
17 consider for approval of the projects?

18 MR. COOPER: Objection to form.

19 A. Petrobras, actually the business  
20 committee again says something, confirming what has  
21 been presented by experts at that time. All the  
22 times information is virtually the same. What  
23 changes is the scope and depth of that information.

24 Q. What about phase 3? In connection with  
25 phase 3 approval, what type of documentation does  
0067

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2 the executive board consider?

3 MR. COOPER: Objection to form.

4 A. So on phase 3 you already have gone to  
5 phase 4 and then you need to have all of the  
6 environmental licenses. In order to have those  
7 licenses you need to have the land, the project and  
8 then you can go ahead.

9 Q. And in connection with the phase 4  
10 approval, what type of information does the  
11 executive board consider?

12 MR. COOPER: Objection to form.

13 A. On phase 4 you already are building. On  
14 phase 4 you need to have your S curves physically  
15 and financially and this is essential. It is very  
16 important, because without them, since 2012 you go  
17 into the system and you are not going to have money  
18 for your project if the curve is not updated.

19 Q. What is the S curve?

20 A. I am going to draw it for you.

21 Q. I don't think that is going to help.

22 A. S curve. Something like this. T equal  
23 zero. T equal five years. So you have progress.  
24 At the same time you have the financial curve. So  
25 you are spending more and taking longer to build  
0068

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2 your industrial plant.

3 Q. At what point in the phase 1 through 4  
4 process does bidding occur?

5 MR. COOPER: Objection to form.

6 A. Phase 1, phase 2, phase 3, and phase 4  
7 all have biddings or procurement or contracting  
8 sometimes they are not biddings. They are direct  
9 contracting.

10 Q. What do you mean by sometimes they are  
11 not procurement, they are direct contracting?

12 THE INTERPRETER: The interpreter said  
13 sometimes they are not biddings but direct  
14 contracting.

15 Q. Let me rephrase my question. What do  
16 you mean by sometimes they are not bidding, they  
17 are direct contracting?

18 A. Sometimes I go to university and I hire  
19 market study of downtown Sao Paulo, and further  
20 ahead on phase 3 or 4, I bid. I open a bidding to  
21 procure 58 compressors and 10,000 kilometers worth  
22 of piping. Those are two examples.

23 Q. And in connection with approving  
24 projects, does the executive board review any  
25 bidding information? Does the executive board  
0069

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2 review any bidding information. My question refers  
3 to the time when you were on the executive board of  
4 Petrobras.

5 THE INTERPRETER: The interpreter will  
6 repeat the question.

7 (Record read)

8 MR. COOPER: Are you talking about  
9 different phases? Any phase in the project?

10 MS. GILMORE: Yes, any phase.

11 A. I don't understand. If you can, I would  
12 like your question to be more specific.

13 Q. Let me see if I can make it more  
14 specific. In connection with phase 2, does the  
15 executive board review any bidding information  
16 before approving a project?

17 MR. SIMSHAUSER: Objection to form.

18 A. Before it goes into phase 2?

19 Q. Let's start with that.

20 MR. SIMSHAUSER: Objection.

21 A. So I am going to repeat the question to  
22 make sure I understood it correctly or to make sure  
23 that this is the answer that you are looking for.  
24 If the executive board reviews the bidding process

25 before it goes into phase 3?

0070

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2 Q. Sure. From phase 2 to 3.

3 A. Yes.

4 Q. And can you describe the type of bidding  
5 information that the executive board reviews before  
6 it goes from phase 2 to 3?

7 MR. COOPER: Objection to form. Vague.

8 A. NPV.

9 Q. What other things specific to bidding  
10 does the board review -- does the executive board  
11 review at the time we just discussed?

12 MR. COOPER: Objection to form.

13 A. I already answered this question, but I  
14 am going to answer one more time. The business  
15 committee receives market data. This market data  
16 goes to the committee for a second time, and there  
17 was a huge heating up of the economy in China, and  
18 this China growth in the economy was not  
19 considered.

20 So the committee sends out, so the  
21 committee submits it and says you are not ready to  
22 bring the materials to the executive board. This  
23 is one example.

24 Q. Does the executive committee look at the  
25 winning bids before it approves a project going

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2 from one phase to another?

3 MR. SIMSHAUSER: Objection to form.

4 MR. COOPER: You mean executive board?

5 MS. GILMORE: Yes, executive board.

6 MR. SIMSHAUSER: Objection to form.

7 A. There is a bidding process, a process.  
8 It is written. It is a company formal document.  
9 The business committee looks at this document and  
10 it goes to the executive board to ask for approval  
11 to start the bidding process. After 90 days,  
12 sometimes after one year, it really depends, the  
13 bidding results come back. Let's say if ten  
14 companies, this first one has the lowest price. So  
15 this process, these companies, the first, actually  
16 the one who wins the bid is introduced.

17 If you are finished, I am also finished.

18 Q. Were you involved in the approval of the  
19 Abreu e Lima refinery?

20 A. I was part of the executive board.

21 MR. COOPER: Objection to the form. My  
22 objection is noted.

23 A. I was part of the company's executive  
24 board, I was not the CEO, and I approved phase 3.  
25 During phases 1 and 2 I was working at another

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2 company owned by the Petrobras system.

3 THE INTERPRETER: May the interpreter  
4 refer to Petrobras as PB?

5 MS. GILMORE: I prefer that you say  
6 Petrobras.

7 THE WITNESS: Okay.

8 Q. In connection with the approval of the  
9 phase 3 of the Pasadena refinery, did you look  
10 at --

11 MR. COOPER: Pasadena? You just said  
12 Pasadena.

13 MS. GILMORE: Strike that.

14 Q. In connection with the approval of phase  
15 3 of the Abreu e Lima refinery, did you look at who  
16 the winning bids went to?

17 MR. COOPER: Objection to form.

18 MR. SIMSHAUSER: Is the question who the  
19 winning bidders were? Objection.

20 MS. GILMORE: Yes.

21 A. At the refinery you have one time, at  
22 the refinery when there are approvals.

23 THE INTERPRETER: The interpreter will  
24 stand corrected.

25 A. At the refinery you don't only have one  
0073

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2 time at the refinery when there are approvals, you  
3 have many different times. The cracking plant and  
4 the pyrolysis unit, the electrical power plant and  
5 so on. So there are different times. What was  
6 your question again?

7 Q. In connection with approving the phase 3  
8 of the Pasadena refinery, did you know who had won  
9 the winning bids?

10 MR. COOPER: Sorry. You said Pasadena  
11 again.

12 MS. GILMORE: Sorry. Abreu e Lima.

13 MR. COOPER: Objection to the form of  
14 the question.

15 A. I don't know because there were many  
16 different biddings.

17 Q. Did you in connection with your role, in  
18 connection with your role as a member of the  
19 executive board, did you have access to bidding  
20 committee reviews or minutes?

21 MR. COOPER: Objection to form.

22 A. You are saying bidding committee? Is  
23 that what you said?

24 Q. Minutes or documents prepared by the  
25 bidding committees.

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2 MR. COOPER: Objection.

3 MR. STRASSBERG: Objection.

4 A. What I had access to were the following:  
5 The Petrobras internal document asking for  
6 permission to start a bidding process. That I had

7 access as CEO and as member of the executive board.  
8 I had access and it was approved. Okay. Of course  
9 if it was approved. And then it would go to  
10 engineers, lawyers, and that was for the second  
11 phase, the bidding itself. Engineers, lawyers and  
12 economists.

13 THE INTERPRETER: The interpreter will  
14 go back.

15 A. So after this was completed, they would  
16 do the bidding process, start a bidding process,  
17 which is also standardized. There is a process to  
18 it. So they would submit the process for the  
19 knowledge of the executive board. If it was  
20 approved, it was approved. That is it.

21 Q. When you say if it was approved,  
22 approved by whom?

23 A. Executive board.

24 Q. Can you tell me if there was a range, an  
25 internal range for approval within Petrobras,  
0075

1 Foster - Confidential  
2 internal bidding range?

3 MR. COOPER: Objection to form. Vague.

4 A. What do you mean, what kind of range are  
5 you talking about?

6 Q. Was there any internal acceptable range  
7 at Petrobras of acceptable bids that Petrobras  
8 would accept?

9 A. What kind of range?

10 MR. COOPER: Objection to form.

11 Q. Ms. Foster, do you recall whether  
12 Petrobras has a bidding range of between negative  
13 15 percent and positive 20 percent?

14 A. Yes, it had.

15 Q. Are you aware that many of the bids came  
16 close to the positive 20 percent when you were  
17 there at Petrobras?

18 MR. COOPER: Objection to form.

19 A. Yes.

20 Q. How did you become aware of that?

21 A. Because I used to work at Petrobras and  
22 I would see it.

23 Q. How would -- how did you come about  
24 seeing it?

25 A. Because it was presented during the  
0076

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2 executive board meeting.

3 Q. Was this topic discussed at the  
4 executive board meetings?

5 MR. TURNBULL: Objection to form.

6 A. We had, yes.

7 Q. Can you tell me what those discussions  
8 were?

9 A. We had an estimated amount that was  
10 locked. It was kept away as part of the process.

11 We would open the company's envelopes, would open  
12 the estimated price, and the bidding winner was  
13 confirmed. In order to approve the bidding, he had  
14 to submit the estimated amount as well as the  
15 approved amount and also the lower amount would win  
16 the bidding.

17 THE INTERPRETER: So not locked, but  
18 sealed. Thank you. Yes. Please replace  
19 locked with sealed. Thank you.

20 Q. Were there any concerns at Petrobras  
21 that many bids were coming in close to the top  
22 ceiling plus 20 percent?

23 MR. COOPER: Objection to form.

24 A. This 20 percent is international  
25 practice during that phase. When it got to  
0077

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2 20 percent, we were within the range of  
3 international prices.

4 Q. Were there any concerns at Petrobras  
5 that the winning bids were coming close to the  
6 20 percent?

7 MR. COOPER: Objection, asked and  
8 answered.

9 A. We understood that we were until because  
10 there is two phases at Petrobras, two phases. So  
11 there is one phase when I was part of the executive  
12 board and another phase when I was the CEO. There  
13 is the phase before the officer Mr. Paulo Roberto  
14 Costa before his plea bargain and after that.

15 So thus far, actually his plea bargain  
16 was on October 8, 2012. We understood that we were  
17 on top of 20 percent because it matched  
18 international practices to be on top of 20 percent.

19 THE INTERPRETER: The interpreter is  
20 saying on top because the interpreter is not  
21 sure if it is above or close.

22 A. After Paulo Roberto's plea bargain  
23 everything started to be a matter of concern, and  
24 in 2014 I was at the World Economic Forum and we  
25 had a meeting with the CEOs of key oil companies  
0078

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2 throughout the world and we did some work and we  
3 discussed the price increase, and the results just  
4 came out back in September 2015 and Petrobras'  
5 results compared with 100 projects, Petrobras'  
6 capex compared to the others was one of the lower  
7 ones.

8 Q. Is it your testimony that before Mr.  
9 Costa's arrest, Petrobras was contracting at market  
10 prices?

11 MR. COOPER: Objection to form.

12 A. I would say that I don't have that  
13 answer. So when I saw that the largest companies  
14 in the world like Petrobras hire large projects

15 with a capex where they spend more money than we do  
16 and they delay projects more than we do, so I  
17 cannot say that before Paulo Roberto or during his  
18 time at Petrobras that Petrobras was hiring above  
19 the market.

20 MR. COOPER: Can we take a quick break?

21 MS. GILMORE: Sure.

22 THE VIDEOGRAPHER: The time now is 2:45  
23 p.m. We are off the record.

24 (Recess taken)

25 THE VIDEOGRAPHER: This marks the  
0079

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2 beginning of tape number 3. The time now is  
3 3:07 p.m. We are back on the record.

4 BY MS. GILMORE:

5 Q. Ms. Foster, at this prior break did you  
6 discuss the subject of your testimony with your  
7 counsel?

8 MR. COOPER: Objection.

9 MS. GILMORE: I'm not asking her for the  
10 subject. I am entitled to know whether or  
11 not she discussed with you the topic of the  
12 testimony.

13 MR. STRASSBERG: No, I don't think you  
14 are.

15 MS. GILMORE: Are you instructing her  
16 not to answer?

17 MR. STRASSBERG: I am.

18 MS. GILMORE: Okay. Are you asserting  
19 attorney-client privilege as to that  
20 question?

21 MR. STRASSBERG: Yes, we are.

22 MS. GILMORE: We are going to reserve  
23 our rights.

24 (Foster Exhibit 1, Federal Senate  
25 request, was so marked for identification,  
0080

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2 as of this date.)

3 THE INTERPRETER: Can the interpreter do  
4 the attorney discussion simultaneously or is  
5 that a problem for the court reporter? It  
6 is a problem. Okay.

7 Q. Ms. Foster, I show you what has been  
8 marked as Foster Exhibit 1. Take a couple of  
9 minutes to look at the document. I will have a  
10 couple of questions for you.

11 MR. SIMSHAUSER: Skadden needs one copy  
12 of the exhibit, please.

13 MR. TURNBULL: Same with King &  
14 Spalding.

15 MS. GILMORE: I ask if people are of the  
16 same firm, we just have one, because we only  
17 have ten copies.

18 MR. TURNBULL: I am only one person from

19 my firm and I don't have one. Thank you.

20 A. Okay.

21 Q. Are you familiar with this document?

22 A. No.

23 Q. Have you ever seen it before today?

24 A. No.

25 Q. Are you aware that in 2009 the Federal

0081

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2 Senate was looking to investigate indications of

3 fraud in the bids to renovate oil platforms at

4 Petrobras?

5 MR. COOPER: Objection to form.

6 A. No.

7 Q. Were you aware at any point that the

8 Federal Senate was looking to investigate

9 indications of fraud with respect -- indications of

10 major irregularities in contracts for building oil

11 platforms at Petrobras?

12 MR. COOPER: Objection to form.

13 A. I don't remember.

14 Q. You don't remember one way or another

15 whether at any time you were employed at Petrobras

16 the Federal Senate was looking to investigate major

17 irregularities in contracts for building oil

18 platforms at Petrobras?

19 MR. COOPER: Objection.

20 A. I do not remember the Senate trying to

21 or making those inquiries.

22 Q. Were you aware at any point you were

23 employed at Petrobras that in 2009 the Federal

24 Senate was looking to investigate evidence of

25 overbilling in the Abreu e Lima refinery

0082

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2 construction?

3 MR. COOPER: Objection.

4 A. No. No, I don't remember.

5 Q. You could have been aware of it at the

6 time but you just don't remember?

7 MR. COOPER: Objection. She said no.

8 MS. GILMORE: She said no, I don't

9 remember.

10 MR. COOPER: Objection. Calls for

11 speculation.

12 A. I don't have a way to answer that.

13 Q. Are you aware -- during the time you

14 were employed at Petrobras, are you aware that in

15 2009 the Federal Senate was looking to investigate

16 accusations of fraud involving payments, agreements

17 and compensations from ANP to sugar mill owners?

18 MR. COOPER: Objection.

19 A. I don't know.

20 Q. Are you aware that during the time you

21 were employed at Petrobras, are you aware that in

22 2009 the Federal Senate was looking to investigate



23 accusations of accounting fraud which resulted in a  
24 4.3 billion reais reduction in tax and contribution  
25 collection?

0083

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2 MR. COOPER: Objection to form.

3 A. No, I don't know.

4 Q. During the time that you were employed  
5 at Petrobras were you aware that in 2009 the  
6 Federal Senate was looking to investigate  
7 accusations of irregularities in the usage of  
8 Petrobras' sponsorship funds?

9 MR. COOPER: Objection.

10 A. I don't know.

11 Q. In 2009 were you a member of the  
12 Petrobras executive board?

13 A. Yes.

14 Q. Would you have expected that as a member  
15 of the Petrobras executive board in 2009 you would  
16 have become aware of this information?

17 MR. STRASSBERG: Objection.

18 A. It is possible but it has been five to  
19 six years. I no longer remember.

20 Q. Would you have remembered that Petrobras  
21 was in press crime sections in 2009?

22 MR. COOPER: Objection, vague.

23 A. I don't remember that either.

24 Q. Do you recall when you were employed at  
25 Petrobras in 2009 to 2014 that Petrobras was

0084

1 Foster - Confidential

2 subject to repeated accusations of irregularities  
3 from control bodies such as the federal police, the  
4 public prosecutor's office and the Federal Court of  
5 Auditors?

6 MR. COOPER: Objection to form.

7 A. It is a general question.

8 Q. Are you aware that when you were  
9 employed at Petrobras between 2009 and 2014,  
10 Petrobras was subject to accusations of  
11 irregularities by the Brazilian federal police?

12 MR. STRASSBERG: Objection.

13 A. This is also very generic. I don't have  
14 a way to answer to that.

15 Q. Are you aware that in 2009, the Senate  
16 looking into investigating irregularities and  
17 evidences of overbilling in Abreu e Lima refinery  
18 also stated that the TCU considers Petrobras one of  
19 the most resistant and closed companies when it  
20 comes to providing information to the company?

21 MR. COOPER: Objection to form. You are  
22 asking if she is aware of that today?

23 Q. Were you aware at any point before  
24 today?

25 MR. COOPER: Objection to form.

0085

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2 Q. When I say providing information, to the  
3 court, not to the company.

4 A. Yes, I do remember.

5 Q. How did you learn that?

6 A. Newspapers.

7 Q. Do you recall when you learned that?

8 A. No.

9 Q. What is your understanding as to why the  
10 TCU considered Petrobras one of the most resistant  
11 and closed companies when it comes to providing  
12 information to the TCU?

13 MR. COOPER: Objection, foundation.

14 A. Your question is TCU considered, not  
15 that it considers today. Is that your question?

16 Q. Considered at the time.

17 A. Correct. Petrobras was very, very large  
18 and what TCU was requesting Gabrielli was  
19 demanding, asking for, of his cabinet, the head of  
20 his office and other divisions looking for the TCU  
21 documentation to find out if the deadline to give  
22 the answer had already been extrapolated. Expired.

23 So with that, as soon as I became CEO I  
24 created a managing division with a flow chart of  
25 processes to do what Gabrielli used to do, which  
0086

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2 was to making phone calls, inquiring, whatever was  
3 automated, so that it would be automated.

4 Q. How did you know that the TCU was  
5 requesting information from Mr. Gabrielli at the  
6 time?

7 MR. COOPER: Objection, misstates  
8 testimony.

9 A. Because they were requesting it of me as  
10 well because I was part of the executive board, and  
11 I knew from the head of production and exploration  
12 division that there were documents that they needed  
13 to provide that they were requiring.

14 Q. What was the time period that you were  
15 talking about when the TCU was requiring documents?

16 A. TCU requires documentation all the time.  
17 All the time.

18 Q. And you referred to Mr. Gabrielli  
19 having -- being asked by the TCU to provide some  
20 documentation. Do you recall when exactly that  
21 was?

22 A. No.

23 Q. Was it before you became the CEO?

24 A. Oh, yes, before.

25 Q. Before February 2012?  
0087

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2 A. Correct.

3 Q. Do you recall whether there was --  
4 whether or not a parliamentary committee was

5 established in 2009 to investigate allegations of  
6 irregularities or overbilling at Petrobras?

7 MR. COOPER: Objection to form.

8 A. Yes.

9 Q. Is your testimony that yes, a  
10 parliamentary committee was established in 2009 to  
11 investigate allegations of irregularities or  
12 overbilling at Petrobras?

13 A. I don't know if there were any  
14 overbillings, I don't know if they existed, but  
15 irregularities, probably, yes.

16 Q. What do you mean by irregularities?

17 A. Irregularities -- overbilling are  
18 bribery payments, and irregularities can be  
19 procedural irregularities or others.

20 Q. Is it your testimony that overbilling  
21 only refers to bribery?

22 MR. COOPER: Objection, misstates her  
23 testimony.

24 A. Okay.

25 Q. Does that mean yes, your testimony is  
0088

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2 that overbilling only refers to bribery?

3 MR. COOPER: Same objection.

4 A. I did not say that overbilling occurred,  
5 I said that there was a parliamentary committee in  
6 2009, but I do not know what the reasons for it  
7 were.

8 Q. And do you draw a distinction between  
9 overbilling and bribery?

10 MR. COOPER: Objection. Asked and  
11 answered.

12 A. Yes.

13 Q. And what is the distinction?

14 A. It is difficult. It really depends on a  
15 sentence context.

16 Q. Do you believe that when Petrobras pays  
17 20 percent on a contract, that means there is  
18 overbilling involved?

19 MR. COOPER: Objection, vague.

20 MR. TURNBULL: Objection to form,  
21 foundation.

22 A. No.

23 Q. Do you believe that -- why not?

24 MR. COOPER: Objection.

25 A. Because you can have a project that is  
0089

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2 200 percent more expensive and you have not given  
3 anyone any money, and during plea bargains  
4 witnesses said that companies did not take any  
5 money.

6 MS. GILMORE: And the interpreter will  
7 replace the word "witnesses" with  
8 "individuals" said.

9 THE INTERPRETER: Informants. Okay.  
10 Some companies. Okay.  
11 Q. Do you believe -- is it your testimony  
12 that if Petrobras pays beyond market prices, there  
13 is overbilling involved?  
14 MR. COOPER: Objection, vague,  
15 foundation. Calls for speculation.  
16 MS. GILMORE: Objection to form,  
17 Counsel.  
18 A. I agree with them.  
19 Q. You agree with your lawyer that I asked  
20 you to speculate?  
21 A. No.  
22 Q. Do you agree with me?  
23 MR. SIMSHAUSER: Objection.  
24 A. I agree with you, but I just think your  
25 question is very vague.  
0090

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2 MS. GILMORE: Counsel, I ask you not to  
3 coach the witness.  
4 MR. COOPER: I'm not coaching the  
5 witness.  
6 MR. MUSTOKOFF: Objection to form,  
7 Roger. It's the Southern District of New  
8 York.  
9 MR. COOPER: I will say what I need to.  
10 That question was unfair.  
11 MS. GILMORE: No, it wasn't unfair. If  
12 you have an issue, you object to form. That  
13 is all you are permitted to do.  
14 MR. COOPER: This question was a  
15 hypothetical. Just ask her fact questions.  
16 That is what she is here to testify about.  
17 MS. GILMORE: Just put the objections  
18 you're allowed to on the record, that is  
19 all. Stop coaching the witness and taking  
20 her on breaks and talking to her about her  
21 deposition testimony.  
22 MR. COOPER: Ask your question.  
23 MS. GILMORE: I am going to. Object  
24 appropriately.  
25 Q. Ms. Foster, do you believe that if

0091

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2 Petrobras pays a contractor beyond market prices,  
3 that Petrobras is being overbilled?  
4 MR. COOPER: Objection to form.  
5 MR. STRASSBERG: Objection.  
6 A. If Petrobras does price research or gets  
7 the prices, so Petrobras obtains prices of various  
8 different pieces of equipment and then Petrobras  
9 goes into a bidding process. Petrobras is aware of  
10 the prices, they are right here, and this group on  
11 this side gives me a higher price, and I put right  
12 here my costs to buy and my cost to do inventory.

13 I will be paying more money. That is it. If I  
14 decide to use this company, I will retain more  
15 money. I'm not calling it overprice.  
16 Q. Is it your testimony that between 2009  
17 and 2014 Petrobras did not overpay on contracts?  
18 MR. COOPER: Objection.  
19 MR. STRASSBERG: Objection. It is also  
20 misstating the testimony in a fairly  
21 egregious way after that outburst before.  
22 MS. GILMORE: Sir, just confine yourself  
23 to objection to form. That is all you are  
24 required to say.  
25 A. What is the question, please?

0092

1 Foster - Confidential  
2 MS. GILMORE: Can you ask my question  
3 again.  
4 (Record read)  
5 A. I say that between 2009 and 2014  
6 Petrobras did overpay, but only when the informants  
7 arrested by the federal police said that this glass  
8 here, this cup here, that Petrobras paid more for  
9 this cup here as an example because it distributed  
10 the money to various different individuals, because  
11 the informant distributed the money to various  
12 different individuals.  
13 Q. What is your understanding as to what  
14 that overpayments were?  
15 MR. COOPER: Objection to form.  
16 A. I don't know how to explain a word. I  
17 don't have enough knowledge of English to explain  
18 that word on its own. Overpayment exactly. I  
19 cannot speak as to exactly what it means. I can  
20 only speak to something if it is within the context  
21 of a sentence.  
22 (Foster Exhibit 2, Document bearing  
23 Bates numbers PBR CG-P underscore 01928893  
24 through 01928895, was so marked for  
25 identification, as of this date.)

0093

1 Foster - Confidential  
2 Q. I hand you what has been marked as  
3 Foster Exhibit 2. Take a couple of minutes to look  
4 at it and I will have some questions on it. Let me  
5 know when you are ready.  
6 A. Okay.  
7 Q. Ms. Foster, are you familiar with this  
8 document?  
9 A. No.  
10 Q. Are you aware that in January 2010 the  
11 TCU found severe -- evidence of severe  
12 irregularities at Petrobras?  
13 MR. COOPER: Objection to form.  
14 A. At Petrobras?  
15 Q. Yes.  
16 A. No.

17 Q. Are you aware in 20 -- were you aware in  
18 2010 that the TCU found severe irregularities at  
19 Petrobras and was looking to suspend contracts  
20 related to the construction of the Abreu e Lima  
21 refinery?

22 MR. COOPER: Objection to form. Are you  
23 looking at somewhere in this document that  
24 you want her to look at?

25 MS. GILMORE: Counsel, I am just asking  
0094

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2 her if she is aware of it.

3 MR. COOPER: You have shown her a  
4 document. I just want to be sure of what  
5 you want to do with it.

6 A. I do remember.

7 Q. And can you tell me how did you become  
8 aware of that fact?

9 A. By comments by the executive board and  
10 by newspapers.

11 Q. When you said comments by the executive  
12 board, were those comments made during an executive  
13 board meeting?

14 A. Yes, but they were not on the meeting  
15 agenda, they were just comments.

16 Q. And when was the meeting that you are  
17 referring to? When did the meeting that you are  
18 referring to take place if you remember?

19 A. I don't remember.

20 Q. Do you recall whether it was in early  
21 2010?

22 MR. COOPER: Objection.

23 A. Yes.

24 Q. Do you recall who was present at that  
25 meeting?

0095

1 Foster - Confidential

2 A. Definitely the officer Paulo Roberto,  
3 because that matter would only come into the  
4 meeting if he was there.

5 Q. What do you mean that matter would only  
6 come into the meeting if Mr. Paulo Roberto Costa  
7 was there?

8 A. Because he was the one who had the  
9 elements to speak and explain.

10 Q. And why do you say that he was the only  
11 one who had the elements to speak and explain?

12 MR. COOPER: Objection. Misstates the  
13 testimony.

14 A. Because he was a person who attended the  
15 meeting. He was the downstream man and only he  
16 could explain to us as part of the executive board  
17 and the CEO what was happening.

18 Q. Can you describe for me what Mr. Costa  
19 explained at that meeting about what was happening  
20 with respect to irregularities in connection with

21 the Abreu e Lima refinery? Allegations of  
22 irregularities.

23 A. I apologize, but I don't remember.

24 Q. Do you recall whether Petrobras did  
25 anything to investigate the allegations of severe  
0096

1 Foster - Confidential

2 irregularities at the Abreu e Lima refinery in  
3 2010?

4 MR. COOPER: Objection to form.

5 A. I don't know if they did it or not  
6 because you could have a division of conducting an  
7 audit, the CEO is going to know about it, the  
8 officer will know about it, but other officers of  
9 other divisions will probably not know.

10 Q. Is it your testimony that the  
11 executive -- the members of the executive board at  
12 Petrobras would not know if there were severe  
13 irregularities, allegations of severe  
14 irregularities in connection with the Abreu e Lima  
15 refinery in 2010?

16 MR. COOPER: Objection.

17 MR. STRASSBERG: Objection. Again  
18 misstates the testimony.

19 A. I think we all knew because we all would  
20 read the newspapers.

21 Q. If there was an investigation at  
22 Petrobras done in connection with those specific  
23 allegations we just discussed in 2010, would the  
24 executive board be aware of the results of those  
25 investigations?  
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2 MR. COOPER: Objection to form.

3 A. No, it would not know. It would not  
4 know. It really depends on the divisions, the head  
5 of the division, if they presented the auditing  
6 results to the other members.

7 Q. Would you have inquired with respect to  
8 the specific allegations of severe irregularities  
9 into Abreu e Lima in 2010, would you have inquired  
10 whether those allegations had any merit?

11 MR. COOPER: Objection to form.

12 A. If I would?

13 Q. Yes.

14 A. If it were a matter as important as or  
15 as magnanimous as at the gas and energy division, I  
16 would.

17 Q. When you say a matter that is as  
18 magnanimous as the one as at the gas and energy  
19 division, what are you referring to?

20 A. To the capex, to the importance of the  
21 project, to the number of suppliers. Capex is all  
22 together. C-a-p-e-x.

23 Q. Ms. Foster, I am asking you to go to  
24 Bates number ending in 894. Do you see on the

25 bottom it says reasons for the problem and then 1?  
0098

1 Foster - Confidential

2 Do you see that?

3 A. Right here?

4 THE INTERPRETER: The witness read to  
5 herself.

6 Q. Did you have any knowledge in 2010 that  
7 there was overpricing at Petrobras found in items  
8 of unitary costs of the projects when compared with  
9 standards provided in the LDO, which is law of  
10 budgetary guidelines?

11 MR. COOPER: Objection to form.

12 A. All I know is that there is always  
13 discussions between TCU and Petrobras throughout my  
14 whole lifespan at Petrobras because TCU uses one  
15 model. Petrobras uses a different model to  
16 calculate the same thing. That never is going to  
17 work out. So there are many cases the processes --  
18 the suits take many years and then the amounts,  
19 they get closer together.

20 MR. MARTINI: Proceedings.

21 THE INTERPRETER: Proceedings.

22 A. And then one day there is a decision  
23 that Petrobras has to pay or not pay.

24 Q. Is it your testimony that you disagree,  
25 in 2010 you disagreed with the TCU's finding that  
0099

1 Foster - Confidential

2 there is evidence of overpricing at Petrobras when  
3 compared with standards provided in the law of  
4 budgetary guidelines?

5 MR. COOPER: Objection to form.

6 MR. STRASSBERG: Objection.

7 A. Since this matter was not brought up to  
8 the executive board in a formal way and that was  
9 not within my specialty or it was not something of  
10 my division as an executive board member, so I  
11 don't have studies that can justify or either agree  
12 or not agree.

13 Q. You can put that aside.

14 (Foster Exhibit 3, Document bearing  
15 Bates numbers PBR CG underscore 00345110  
16 through 00345112, was so marked for  
17 identification, as of this date.)

18 A. Okay.

19 Q. Ms. Foster, do you recall receiving this  
20 e-mail from Mr. Jose Fantine?

21 A. Yes.

22 Q. Who is Mr. Fantine?

23 A. At that time Jose Fantine, actually Jose  
24 Fantine had been an officer at Petrobras 30 years  
25 ago, maybe 20, and when I started, when I occupied  
0100

1 Foster - Confidential

2 the position as a CEO he started to be my advisor.



3 In 2010 here, I don't know where he was.

4 Q. Do you know -- what is your  
5 understanding as to why Mr. Fantine was contacting  
6 you?

7 A. Fantine is a friend of mine.

8 Q. Mr. Fantine says, if you look on page  
9 that ends with 111, the second page, towards the  
10 bottom of the page, Mr. Fantine tells you, and I  
11 quote, "They appointed a director Elson in the EPE  
12 some time ago that they say they could demoralize  
13 the company minimally in the area of downstream."  
14 And later on it says "That director they say that  
15 he does not understand what he does, and they fear  
16 that he is taking advantage of the vacuum of the  
17 election/transition and of the prestige of his  
18 godfathers. He says he is a man of Lobao, father  
19 and son, they say."

20 What is your understanding of what Mr.  
21 Fantine is telling you here?

22 MR. COOPER: Objection to form.

23 A. I understand Fantine mixed a lot of  
24 things together. I don't understand what he means.  
25 What I remember is that. What I know is that  
0101

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2 Manguinhos refinery was going to be leveled and  
3 that they were thinking of putting an NGO there, I  
4 found that out through newspapers maybe, and that  
5 an NGO was going to grow medication plants for the  
6 slums that were located around the area. That is  
7 all I know. I don't know anything else.

8 Q. Do you have any understanding as to what  
9 the director Elson was enjoying the prestige of his  
10 godfather? Do you understand what that means?

11 MR. COOPER: Objection to form.

12 MR. STRASSBERG: Objection.

13 A. No, I don't know.

14 Q. Do you know, have you heard of the term  
15 "godfather" appointing personnel at Petrobras?

16 MR. COOPER: Objection to form. There  
17 is nothing here that says this person is at  
18 Petrobras.

19 Q. Ms. Foster, you can answer my question.

20 A. Godfather, so please, your question was?

21 Q. Have you ever heard of godfathers  
22 appointing personnel at Petrobras?

23 A. Yes.

24 Q. When was the first time you heard of  
25 that?

0102

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2 A. Many, many years ago.

3 Q. Did you know by January -- by December  
4 2010 that godfathers were appointing personnel at  
5 Petrobras?

6 MR. COOPER: Objection to form.

7 A. I didn't know the individuals appointed  
8 were the ones who were saying that, but this has  
9 nothing to do with Petrobras. I don't even know  
10 why it ended up getting here. The only thing is  
11 that Fantine is a person that I know.

12 Q. You can put that away.

13 MR. STRASSBERG: Good time to take a --  
14 we will try to keep it tight. Take a short  
15 break.

16 MS. GILMORE: I am very much for that,  
17 so if you want five minutes, we can take  
18 five.

19 THE VIDEOGRAPHER: The time is 4:10 p.m.  
20 We are off the record.

21 (Recess taken)

22 THE VIDEOGRAPHER: This marks the  
23 beginning of tape number 4. The time now is  
24 4:28 p.m. We are back on the record.

25 BY MS. GILMORE:

0103

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2 Q. Ms. Foster, I am handing you what has  
3 been marked as Foster Exhibit 4. Please take a  
4 couple of minutes and look at the document and let  
5 me know when you are ready.

6 (Foster Exhibit 4, Document bearing  
7 Bates numbers PBRCG underscore 00349569  
8 through 00349582, was so marked for  
9 identification, as of this date.)

10 MR. COOPER: I also want to put on the  
11 record that we reserve our rights to object  
12 to any of the translations of the documents  
13 that we have been looking at. It is a  
14 standard objection that we have been making,  
15 but in this respect I want to note one  
16 issue.

17 MS. GILMORE: That is not part of the  
18 record just before you make your objection.  
19 We are only introducing the Portuguese. The  
20 one, the translation I am just giving to  
21 counsel.

22 MR. COOPER: This word here should be  
23 draft in English, not minutes, so if you  
24 were going to read that word in your  
25 question off of the translation, I just want

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1 Foster - Confidential

2 to put that on the record.

3 MS. GILMORE: Fair enough. Just to make  
4 it clear for the record and the witness, the  
5 only thing that has been introduced as  
6 Exhibit 4 is the Portuguese.

7 MR. MUSTOKOFF: Just so we're clear, Mr.  
8 Cooper, are you saying the word "minuta"  
9 does not mean minutes, rather it means  
10 draft? Is that correct?

11 MR. COOPER: Correct.

12 MR. MARTINI: Yes.

13 MR. MUSTOKOFF: Is that true?

14 MS. LEVI: Yes.

15 MR. MUSTOKOFF: Thank you.

16 A. Okay.

17 Q. Ms. Foster, do you recognize document  
18 Exhibit 4?

19 A. No.

20 Q. Would you have received as a member of  
21 the executive board in 2011 audit reports?

22 MR. COOPER: Objection to form.

23 A. No, because the audit reports go to the  
24 heads of the divisions.

25 Q. By head of divisions, what do you mean?  
0105

1 Foster - Confidential

2 A. Head of gas and energy, the head of  
3 exploration and production, downstream officer.

4 Q. In 2011 you were the director of gas and  
5 energy?

6 A. Yes.

7 Q. But you would never see this document  
8 because it didn't relate to the gas and energy  
9 division?

10 A. Yes.

11 Q. So as a member of the executive board  
12 would you have had access to internal audits,  
13 whether they related to a particular division or  
14 not?

15 MR. COOPER: Objection to form.

16 A. No.

17 Q. Were you aware in 2011 that the TCU was  
18 investigating a contract between Petrobras and  
19 Alusa with respect to the RNEST refinery?

20 MR. COOPER: Objection to form.

21 A. It was the same matter that we addressed  
22 just a little while ago. Correct?

23 Q. I believe this is a specific contract  
24 with respect to Alusa.

25 A. Regarding Alusa. Okay.  
0106

1 Foster - Confidential

2 Q. So were you aware in 2011 that the TCU  
3 was investigating a contract between Petrobras and  
4 Alusa?

5 MR. COOPER: Objection to form.

6 A. No. No, I don't remember.

7 Q. Were you aware in 2011 that internal  
8 audit at Petrobras was looking into the same  
9 contract that the TCU was investigating between  
10 Petrobras and Alusa?

11 MR. COOPER: Objection to form.

12 A. I did not know.

13 Q. Were you aware in 2011 that Petrobras'  
14 internal audit found that Alusa's profit rate was

15 approximately 70 percent above the market rates?

16 MR. COOPER: Objection.

17 MR. STRASSBERG: Objection.

18 A. No.

19 Q. Would you have wanted to know as a  
20 member of Petrobras' executive board that in 2011  
21 Petrobras' internal audit found Alusa's profit rate  
22 was approximately 70 percent above the market rates  
23 with respect to its contract with Petrobras?

24 MR. COOPER: Objection to form.

25 A. Yes.

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2 Q. Why would you have wanted to know that  
3 fact?

4 A. Because I would have made or the  
5 Petrobras service division would be hiring Alusa or  
6 contracting Alusa for a gas and energy project and  
7 I could be paying a margin of 40 percent or  
8 30 percent or 10 percent.

9 Q. Do you know who received -- do you know  
10 if anybody from the legal department at Petrobras  
11 received audit reports, internal audit reports?

12 MR. COOPER: Just generally?

13 MS. GILMORE: Yes.

14 MR. COOPER: Objection to form.

15 A. I cannot answer that question, but we do  
16 have an auditing committee at Petrobras, and this  
17 auditing committee is connected to the board of  
18 directors and all auditing reports are submitted to  
19 this auditing committee, so with that, the board of  
20 directors is knowledgeable or is aware of all the  
21 work that has been done and the CEO of Petrobras is  
22 also a member of the board of directors. In that  
23 way the CEO knows what is going on and he or she  
24 can act streaming down in a way that he or she  
25 finds appropriate.

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2 Q. With respect to this particular contract  
3 between Alusa and Petrobras pursuant to which Alusa  
4 made a profit of approximately 70 percent above the  
5 market rate, do you believe that Petrobras was  
6 overpaying on this contract?

7 MR. COOPER: Objection to form.

8 Foundation.

9 A. I'm not aware of the details of the  
10 contract. I do not know how it had been  
11 calculated, so I cannot say anything about that.

12 Q. Assume that the internal audit's finding  
13 that Petrobras -- that Alusa was making a profit  
14 through Petrobras of 70 percent above the market  
15 price, assume that the finding by the audit  
16 committee of Petrobras is correct, with that  
17 assumption, is it your testimony that Petrobras is  
18 overpaying Alusa on that contract?

19 MR. STRASSBERG: Objection.  
20 MR. COOPER: Objection. When you say is  
21 it your testimony, are you referring to some  
22 other testimony?

23 MS. GILMORE: No, I am referring to her  
24 testimony now.

25 A. I'm not sure if I am entitled here to

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2 say that I do not want to answer questions based on  
3 hypotheses. I don't know if I can do that. I'm  
4 not sure if I can say that I do not want to answer  
5 because I do not want to answer questions based on  
6 hypotheses.

7 Q. Do you believe that the finding in the  
8 internal report by Petrobras that Alusa was making  
9 70 percent above the market value is a hypothesis?

10 MR. COOPER: Objection. Misstates what  
11 is in this document.

12 A. No, I do not believe that this report  
13 has been worked based on hypothesis. What I am  
14 saying here is that since this was not a matter of  
15 the gas and energy division, I do not feel secure  
16 or I do not have any foundation to say that the  
17 calculation is correct.

18 Q. You can put that aside.

19 (Foster Exhibit 5, Executive board  
20 decision dated October 6, 2011 bearing Bates  
21 number PBRCG underscore 00747867, was so  
22 marked for identification, as of this date.)

23 A. Okay.

24 Q. Ms. Foster, are you familiar with this  
25 document?

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2 A. No. This one specifically, no, I don't.

3 Q. Do you recall approving on or about  
4 October 2011 a capital investment of over 1 billion  
5 reais for the Abreu e Lima refinery for the month  
6 of November and December 2011?

7 A. I remember that we made various  
8 different allocations to the Abreu e Lima refinery,  
9 various different ones, but I don't know if that  
10 was exactly the one, because they are very similar.  
11 Because they follow basically a standard.

12 Q. Did anybody at Petrobras perform any  
13 analysis to understand why Abreu e Lima needed over  
14 \$1 billion for the month of November and December  
15 2011?

16 MR. COOPER: Objection to form.

17 Q. Reais.

18 A. Up until 2011, my answer is I do not  
19 know. As of 2011, from 2011 onwards, there was  
20 very strict work in order to have the allocation  
21 and where the money would go, in other words, we  
22 had to explain what we would do with the money and

23 three months after that if you ask for another  
24 allocation, you would have to demonstrate that you  
25 physically performed and that the finance aspect  
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2 equaled exactly the amount that you requested, and  
3 that allocation was approved by the board of  
4 Petrobras the same way that this one was.  
5 So the allocation request was brought to  
6 the board of Petrobras to make sure that it was  
7 applied, so everything was presented to the  
8 executive board of Petrobras and the executive  
9 board would approve it and what we did with the  
10 money.

11 THE INTERPRETER: When the interpreter  
12 said board, she meant executive board  
13 throughout the whole answer.

14 A. I believe the same was done, but outside  
15 the executive board.

16 Q. You can put that away.  
17 (Foster Exhibit 6, Document bearing  
18 Bates number C 452116 on pages 1 and 2, was  
19 so marked for identification, as of this  
20 date.)

21 A. Okay.

22 Q. Ms. Foster, do you recall receiving this  
23 e-mail from Ms. Fonseca?

24 A. Yes.

25 Q. Can you tell me what is your

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2 understanding as to why Ms. Fonseca approached you  
3 on October 7, 2011?

4 MR. STRASSBERG: Objection.

5 A. This question is very vague. Actually,  
6 I'm sorry, it is very ample or it covers too much.  
7 Very broad. Because it covers a lot of different  
8 subjects.

9 Q. Let's try and go subject by subject. On  
10 the first paragraph, it says "I would like to be  
11 there." I am quoting. "I would like to be there  
12 talking to you looking you straight in the eye to  
13 help you feel what he want to say even taking the  
14 chance of crying in front of you. It would not be  
15 the first time."

16 When was the first time -- was there a  
17 first time that Ms. Fonseca cried in front of you?

18 MR. SIMSHAUSER: Objection. Counsel,  
19 you said earlier you were only marking the  
20 Portuguese version, and yet you are  
21 purporting to quote it.

22 Q. If my quote is not correct, you can  
23 correct me.

24 A. Okay.

25 MR. SIMSHAUSER: I object to the

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2 translation.

3 MR. COOPER: We renew our objection.

4 A. Okay. So what is your question?

5 Q. When was the first time that Ms. Fonseca  
6 cried in front of you?

7 MR. COOPER: Objection to form.

8 A. She cried once in front of me.

9 Q. Before October 7, 2011?

10 A. Before. Before.

11 Q. Why did she cry?

12 MR. COOPER: Objection to form.

13 A. She was very upset regarding something  
14 that had happened with one of her employees, and  
15 then she cried.

16 Q. Do you recall what had happened?

17 A. This young man had issued payments that  
18 went above his level of authority.

19 Q. Do you recall whether this man was Mr.  
20 Morais?

21 A. I don't know. I know his first name.

22 Geovane. I'm not sure if it is Morais or not.

23 THE INTERPRETER: Please replace upset  
24 with nervous.

25 MR. MARTINI: On page 106, line 3.

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2 THE INTERPRETER: The interpreter would  
3 say upset is better because nervous is when  
4 you are about to go on stage, you are  
5 nervous.

6 Q. Ms. Foster, was Ms. Fonseca upset when  
7 she came to see you at that time?

8 A. Very much so. She was nervous with wet  
9 eyes.

10 THE INTERPRETER: The interpreter will  
11 go literal. She was nervous. She had wet  
12 eyes.

13 Q. She was crying?

14 A. Her eyes were wet.

15 MS. LEVI: Teary eyes.

16 Q. When was this that Ms. Fonseca  
17 approached you and cried?

18 A. I think it was April 2009.

19 Q. What did Ms. Fonseca tell you then?

20 A. She told me that everybody knew.

21 Everyone knew that Geovane had paid a lot of  
22 different services much above his level of  
23 authority.

24 THE INTERPRETER: She told me what  
25 everybody knew. So she told me what

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2 everybody already knew.

3 A. But still I welcomed her.

4 Q. When you say everybody knew, who is

5 everybody?

6 A. Who? Everybody, my assistants would  
7 tell me that even the man who worked on the  
8 elevator or the person who served coffee knew.

9 Q. Did Mr. Gabrielli know?

10 MR. COOPER: Objection to form.

11 A. I suppose that he did, but I don't know.

12 Q. And let's go to the middle of the page  
13 here, it says "Today." Do you see that? Can you  
14 tell me what do you understand Ms. Fonseca is  
15 telling you there?

16 A. "Today, I can say that I am virtually  
17 alone in the company and the facts that occurred  
18 when I was dismissed from my position and sent to  
19 Singapore made people," "made closer people get  
20 away from me afraid to suffer retaliation."

21 MR. COOPER: Let the record, let it be  
22 clear she is reading from the document.

23 MS. GILMORE: She is reading from the  
24 Portuguese document. Yes.

25 THE INTERPRETER: The interpreter was

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2 sight-translating the Portuguese document  
3 and not reading the English version of the  
4 document.

5 MS. GILMORE: The witness was reading  
6 from the Portuguese version of the document.

7 MR. COOPER: And not stating her  
8 understanding, which is what your question  
9 was.

10 MS. GILMORE: Right.

11 A. What is the question for me?

12 Q. What is your understanding as to why Ms.  
13 Fonseca was removed from her position and sent to  
14 Singapore?

15 MR. COOPER: Objection.

16 MR. STRASSBERG: Objection.

17 A. Her boss, Mr. Paulo Roberto Costa, for  
18 reasons unknown to me, five and a half years after  
19 she was his executive manager, proposed to the  
20 executive board to have her go to Singapore to go  
21 for an MBA in marketing or management or things of  
22 that nature. It was a Chicago University site.  
23 That site was at the University of Chicago.

24 Q. Do you have an understanding now as to  
25 why Mr. Costa wanted Ms. Fonseca to go to

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2 Singapore?

3 MR. COOPER: Objection to form.

4 A. I have no idea whatsoever. They were  
5 very close. They were very close. I don't know  
6 why.

7 Q. You can put that away. Let's go to page  
8 2 for a second. Do you see where it says "I am



9 evaluating some alternatives"?

10 A. Yes.

11 Q. "I would like to show you part of the  
12 documents I have. I know you are aware of part of  
13 them."

14 Is that a proper reading of what you see  
15 in the Portuguese version?

16 A. Yes.

17 Q. Do you know -- did Ms. Fonseca show you  
18 part of the documents?

19 MR. COOPER: Objection to form.

20 A. She showed part of the document when she  
21 came to my office to talk about Geovane. She  
22 provided me with the documents. That was in 2009,  
23 and they were regarding Geovane. And actually I  
24 had access to these documents because these  
25 documents were available to the executive board  
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2 members, and these additional documents, I had  
3 never seen them. She had never showed them to me  
4 or left them with me.

5 Q. And the documents that Ms. Fonseca did  
6 give you, did they include an interview or a  
7 transcript of interviews that Mr. Morais had given  
8 in connection with an investigation into his  
9 actions around that time?

10 MR. COOPER: Objection to form.

11 A. Around that time, you are talking about  
12 2009? I didn't read everything because I believe  
13 at that time that the word for his firing had  
14 already been given. I grabbed the documents that  
15 she left with my assistant or secretary and I  
16 handed them to Paulo Roberto, because I was  
17 surprised that there was something wrong between  
18 both of them, that they had had a fight or that  
19 they had separated.

20 Q. And when you said before this, you said  
21 that everybody knew about what Mr. Morais did.  
22 What is your understanding of what Mr. Morais did?

23 A. He had issued various different  
24 payments, the sum of which were a few millions. I  
25 don't know how many millions. And he could have  
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2 never done that. He had no powers to do that. He  
3 had done that to pay for services contracted in  
4 very different agencies.

5 Q. What is your understanding as to whether  
6 or not Mr. Morais remained at Petrobras after  
7 October 2011?

8 MR. COOPER: Objection to form.

9 Q. I'm sorry. After 2009.

10 MR. COOPER: Objection.

11 A. As far as I know, he was away on a  
12 medical leave. That was for four years. And one

13 day in 2013, I don't remember exactly when, the  
14 company's security guards told me that he was  
15 inside the building, and I requested the legal  
16 department HR and the officer Mr. Cosenza to fire  
17 him if he was under medical leave.

18 THE INTERPRETER: To fire him if he was  
19 not under medical leave. So to have him  
20 fired if he was not under medical leave.

21 Q. And did you discuss the issue with  
22 respect to Mr. Morais with Gabrielli at the time?

23 MR. COOPER: Objection to form. This  
24 e-mail is 2011, but she is also --

25 MS. GILMORE: At any time.

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2 A. In no time at all.

3 Q. Why not?

4 A. I don't know. He didn't contact me to  
5 discuss anything.

6 THE INTERPRETER: The answer is in no  
7 time at all.

8 Q. Did you ever respond to Ms. Fonseca's  
9 October 7, 2011 e-mail?

10 A. No.

11 Q. Why not?

12 A. First of all, I virtually reply to no  
13 e-mail, especially e-mails of this size. I don't  
14 know how you are going to say that in English, but  
15 they are sort of encrypted. They have little  
16 traps, and I didn't reply. I thought one of  
17 these days she is going to show up and talk to me  
18 again.

19 Q. Did you look for Ms. Fonseca to try to  
20 speak to her?

21 A. No.

22 Q. Why not?

23 A. Because I thought that after an e-mail  
24 such as this one, if she wanted to, she should be  
25 the one to come and speak with me. This was in

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2 2011, and she had a CEO to discuss with. She had  
3 an executive board member to speak with and she  
4 selected me. I was not even her friend or close  
5 to her, so I could not understand this whole  
6 story.

7 Q. Did you consider the issues she  
8 approached you with to be important?

9 MR. STRASSBERG: Objection.

10 A. I considered that important, but nothing  
11 outside the usual pattern of things. I don't know  
12 if that e-mail that she said that there was a  
13 weapon pointed at her head. No, I don't think that  
14 is the one. Because there is another one that she  
15 says someone pointed a weapon at her daughter's  
16 head. Actually, no, at her head.

17 Q. Can you tell me what you know about that  
18 e-mail where Ms. Fonseca told you that someone  
19 pointed a gun at her head?

20 MR. SIMSHAUSER: Objection to form.

21 A. That is all I remember. That is all I  
22 remember. Maybe someone has that e-mail message  
23 here. I'm not sure.

24 Q. Did you feel any sympathy for Ms.  
25 Fonseca when you received that letter in October  
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2 2011?

3 A. This one here?

4 Q. Yes.

5 A. Certainly.

6 Q. Why?

7 A. A person who was sad and anxious.

8 Q. Did you believe she had a reason to be  
9 upset?

10 MR. COOPER: Objection to form.

11 A. Can you imagine, you know, in 2011 one  
12 of her subordinates had something that was very  
13 creative that no one had ever done before. Myself,  
14 if that was done to me, I would have been very  
15 nervous and very sad such as she did, and she is an  
16 excellent professional in my opinion.

17 Of what I know of Venina, she works very  
18 hard, she is very committed. That is what I know  
19 of her. Sometimes I say that about her and there  
20 are individuals who do not agree with me, because  
21 she has a lot of difficulty in dealing with people  
22 and she ends up losing -- putting everything at a  
23 loss.

24 Q. Let's put that away. Exhibit 7, please.

25 MR. COOPER: Can we go off the record  
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2 for one second.

3 THE VIDEOGRAPHER: The time now is 5:22  
4 p.m. We are off the record.

5 (Recess taken)

6 THE VIDEOGRAPHER: The time now is 5:35  
7 p.m. We are back on the record.

8 BY MS. GILMORE:

9 Q. Ms. Foster, are you aware of an SMS  
10 contract between Petrobras and Odebrecht entered on  
11 or about 2010?

12 A. Yes.

13 Q. Can you tell me what you knew in 20 --  
14 strike that. Did you approve the contract, the SMS  
15 contract between Petrobras and Odebrecht on or  
16 about 2010?

17 MR. COOPER: Objection to form.

18 A. The executive board of Petrobras  
19 approved the contract.

20 Q. And at the time you were a member of the

21 executive board?

22 A. Yes.

23 Q. Do you recall exactly when the executive  
24 board of Petrobras approved the SMS contract  
25 between Petrobras and Odebrecht?

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2 A. 2010. I believe it was in October.

3 Q. Did the executive board of Petrobras  
4 consider any documents or analysis in connection  
5 with their approval in October 2010 of the SMS  
6 contract?

7 MR. COOPER: Objection to form.

8 A. Yes.

9 Q. What types of documents or analysis did  
10 the executive board consider in connection with  
11 their approval of the SMS contract?

12 MR. COOPER: Objection.

13 A. I no longer remember the details. I no  
14 longer remember the details. What I know of this  
15 contract that it went back and forth until it was  
16 approved a few times.

17 Q. Do you know the reasons why the contract  
18 went back and forth until it was approved?

19 A. What really calls attention is that  
20 there were different aspects compared to what we  
21 had done before in the international division.  
22 What was different is that there was a company in  
23 Brazil with operations overseas that was a  
24 requirement of the bid, so that this company had  
25 experience in other countries where Petrobras had

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2 operations and it would be the head of a huge  
3 revision of all the sites owned by Petrobras, so  
4 wouldn't it be more simple to have each CEO or each  
5 executive board member on each of the overseas  
6 countries, if it wouldn't be better that they would  
7 always hire locally and to try and get the best  
8 prices and then Zelada, Officer Zelada, convinced  
9 us that it was important to have one person dealing  
10 with this issue in Brazil of one company, so  
11 providing all the policies of HSE to all the same  
12 ones exactly to all the different sites, so we were  
13 convinced that this would be a good option, but we  
14 established a few restrictions.

15 So, first, the Okinawa refinery in Japan  
16 at Nansei Island, that refinery, plus the refinery  
17 in Argentina and the refinery in Pasadena here in  
18 the U.S., so before they would do the work, they  
19 would revert or resort to the executive board to  
20 see what could be made or could be done in those  
21 refineries.

22 So with this requirement and other few  
23 requirements, based on videos that Zelada would  
24 show us showing the urgency of doing the physical

25 integration of the refineries, so physical  
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2 integrity.

3 THE INTERPRETER: I made a mistake. I

4 misspoke.

5 A. Physical integrity of the refineries.

6 That is it.

7 Q. In connection with the board of  
8 executives' approval of the SMS contract around  
9 October 2010, did the board of executive directors  
10 review the contract?

11 A. I don't understand your question.

12 THE INTERPRETER: The interpreter asks  
13 the witness if it should be repeated in  
14 Portuguese or in English and the witness  
15 said in English.

16 Q. You want me to repeat the question?

17 A. Yes.

18 Q. Was there a proposed contract with SMS  
19 that the board approved?

20 MR. COOPER: Objection to form. With  
21 SMS?

22 MS. GILMORE: The SMS contract.

23 MR. COOPER: You said with SMS.

24 Q. Was there a proposed contract between  
25 Petrobras and Odebrecht on SMS that the board  
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2 approved?

3 A. It approved this one with these  
4 restrictions.

5 Q. Was there a written contract presented  
6 to the board for approval?

7 MR. COOPER: Objection to form.

8 A. There was a contract and an approval had  
9 been issued after a PowerPoint presentation. Based  
10 on a PowerPoint presentation. We had a Petrobras  
11 internal document, and this presentation would be  
12 attached to the internal Petrobras documents  
13 requesting the approval. DIP.

14 THE INTERPRETER: That is not what the  
15 interpreter heard. The interpreter  
16 interpreted what she heard.

17 Q. Did the board review the terms of the  
18 contract before approval? The terms of the  
19 contract between Petrobras and Odebrecht.

20 MR. COOPER: Objection. Just in the  
21 question you said the board. Do you mean  
22 the executive board?

23 MS. GILMORE: The executive board.

24 A. It reviewed based on what the PowerPoint  
25 presentation showed and the DIP.  
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2 Q. And at any point were there

3 irregularities detected in connection with the SMS  
4 contract?

5 MR. COOPER: Objection to form.

6 A. We had a report. An auditing report.  
7 An audit report. It was a volunteer auditing,  
8 because the auditing department can audit beyond  
9 what has been planned. So when I took up the CEO  
10 position, this audit was ongoing, which I didn't  
11 know.

12 In October 2012, Gerson, the auditing  
13 executive manager, had told me that the report had  
14 been completed, and at that time he was discussing  
15 with the international division officer for  
16 Petrobras because I had been CEO of Petrobras and I  
17 had been head of the international division as well  
18 and of course earning just one salary for that.

19 So in any event, I told Gerson to  
20 complete or to finalize the report completely and  
21 to submit it for my reading, and that is what I  
22 did. And I decided to inform the executive board  
23 about it due to the non-compliances that were  
24 found.

25 Q. When was the first time that you learned  
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2 of non-compliances in connection with the SMS  
3 contract?

4 A. That is the exact day when Gerson called  
5 me saying that he had the report in his hands. It  
6 was 99 ready and if I wanted to read it, and I said  
7 no, I don't want to read it.

8 Q. Why not?

9 A. Because he was mixing up the two  
10 positions, the CEO and the head of the  
11 international division. And I told him you have  
12 all the powers to write anything that you want to  
13 write and then we will bring it to the executive  
14 board, because it was too much power for just one  
15 individual.

16 Q. Can you tell me what the non-compliances  
17 were that were identified with respect to the SMS  
18 contract?

19 MR. COOPER: Objection to form.

20 A. First, it was a contract worth  
21 \$850 million, but that would only pay for what  
22 would in fact be done, and I do not like to work  
23 with contracts, open contracts, of this nature.

24 Secondly, because there were double  
25 prices, duplicated prices or triplicated prices, to  
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2 perform one service on one site only, there were  
3 revisions or reevaluations of the integrity of the  
4 structures. For example, an oil tank. That is  
5 just an example. The service, let's say specified  
6 a floating cap tank. A tank with a floating cap.

7 And on a site where the tank that was there was a  
8 fixed cap tank.

9 So there were many, many irregularities,  
10 imperfections, non-conformities or non-compliances.  
11 Imperfections. No irregularities. Imperfections.

12 MS. GILMORE: Counsel, can I just tell  
13 you again to please wait until the witness  
14 answers the whole question before you try  
15 and interpose an objection.

16 MR. COOPER: She did.

17 MS. GILMORE: No, she was still talking.

18 A. So I believe that I answered regarding  
19 the non-compliances, and I think I answered a bit  
20 of what you asked.

21 THE INTERPRETER: The interpreter is  
22 asking the witness as per the attorney's  
23 request what she meant by tripled or  
24 doubled.

25 MS. GILMORE: No, I don't think that is

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2 proper. I am the one that is asking the  
3 questions. If you have a specific  
4 translation problem with a word.

5 MR. MARTINI: I need a question in  
6 Portuguese to clarify the translation. We  
7 were talking about this to clarify, so I  
8 just asked the translator to clarify that  
9 point.

10 THE INTERPRETER: May the translator do  
11 that?

12 A. So let's say you only had one telephone  
13 on a specific site and on a list you would see the  
14 evaluation of that telephone times 3 as if there  
15 were three telephones.

16 Q. Were there --

17 A. I am just giving you a symbolic example.

18 Q. Do you have any specific examples of the  
19 SMS contract, whether there were duplicate or  
20 triple prices?

21 MR. COOPER: Objection to form.

22 A. I don't know.

23 MS. GILMORE: Let's introduce Exhibit 7,  
24 please.

25 (Foster Exhibit 7, Document bearing

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2 Bates numbers PBR CG-P underscore 02297792  
3 through PBR CG-P underscore 02297793  
4 underscore 00006, was so marked for  
5 identification, as of this date.)

6 A. Okay.

7 Q. Ms. Foster, do you recall any  
8 discussions on or around February 17, 2012 about  
9 the tone, changing the tone of the internal audit  
10 report on SMS?

11 MR. COOPER: Objection to form.

12 A. This is very strange, because I became  
13 aware of this report in October 2012.

14 Q. This February 17, 2012 e-mail refers to  
15 a discussion and guidance that you had for Mr.  
16 Gerson. Do you see that?

17 MR. COOPER: Objection to form.

18 A. No. Here it is written the other way  
19 around. It is written as we spoke, so I am  
20 submitting suggestions for conversations with  
21 Graca. In other words, the conversations had not  
22 occurred yet. They would occur after your  
23 conversation and guidance from Graca to Gerson. In  
24 other words, Zelada would still have to speak with  
25 me so that I would discuss with Gerson to change  
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1 Foster - Confidential  
2 the report's philosophy.

3 Q. And why was there a desire to change the  
4 philosophy of the report?

5 MR. COOPER: Objection, foundation.

6 A. This friend here, this young man here is  
7 the one who should know that.

8 THE INTERPRETER: The interpreter will  
9 correct herself. Friend -- there is no word  
10 friend. It is actually the last name.

11 A. This person here Jose Carlos Vilar Amigo  
12 would have to speak with Zelada, who was the head  
13 of the division, to discuss with me the reason why  
14 the report had to be changed.

15 Q. Were you done with your answer?

16 A. Yes, I am.

17 Q. Did you discuss on or about February 17,  
18 around that time, whether or not the text of the  
19 internal report on SMS should be changed?

20 MR. COOPER: Objection to form. Asked  
21 and answered.

22 A. No, I did not discuss with Zelada. He  
23 did not mention anything about this to me, and I  
24 was not copied on the e-mail as well.

25 Q. Did you discuss with anybody at  
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1  
2 Petrobras changing the language or the text of the  
3 internal report on SMS?

4 MR. COOPER: At what time?

5 Q. Around the time of February 2012.

6 A. No. This was four days after I took  
7 office as a CEO and I felt that the world was  
8 falling over me, so this was not a priority. I  
9 didn't even find out about this.

10 Q. Do you see the last paragraph that  
11 starts with in the text below at the bottom?

12 A. I am reading it now for the first time.

13 Q. The first page, do you see the last  
14 where it says in the text below which is the word



15 "Open"? Do you see that? That makes reference to  
16 you suggesting a language to the auditing  
17 department?

18 A. Well, you have to see, if you are  
19 looking at the English version there, because these  
20 are wordings that we understand that Graca shall  
21 suggest to the auditing executive manager are these  
22 that are signaled in red. Never mind.

23 Q. I guess we don't want that on the  
24 record.

25 Do you have any reason to believe that  
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2 Mr. Carlos Vilar had no understanding as to the  
3 fact that you would have to suggest language to the  
4 auditing department about the SMS contract?

5 MR. COOPER: Objection to form.

6 A. I don't understand the question.

7 Q. Did you at any point between  
8 February 17, 2012 and October 2012 suggest language  
9 to be used in the internal audit contract for SMS?

10 MR. COOPER: Objection to form.

11 A. No. As a matter of fact, Gerson called  
12 me asking me if I wanted to read the report. I  
13 answered no.

14 Q. Let's go to the page, the second page of  
15 the report that ends in Bates number 7793  
16 underscore 00002. I'm sorry, let's go to the first  
17 page ending in 7793, the first page of the minutes.  
18 The minutes of the audit.

19 MR. COOPER: This again at the top  
20 should be draft, not minutes in English.

21 Q. Do you see the language in yellow under  
22 purpose and then the one after it in red all caps?

23 A. Yes. I read it. What do I do?

24 Q. Do you know why there were suggestions  
25 that the language irregularity be removed and  
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2 replaced by another language?

3 MR. COOPER: Objection to form. Where  
4 does it say that?

5 MS. GILMORE: The last paragraph in the  
6 text under purpose.

7 A. "The purpose of changing the wording"?

8 Q. Yes.

9 A. I don't know.

10 Q. Are you surprised to see this?

11 A. Yes, I am. This one, yes, I am.

12 Q. Why?

13 A. It is incredible. It is crazy to think  
14 that I would make suggestions to Gerson, who is an  
15 authority in Brazil and overseas as well, an  
16 auditing authority, to change the wording of his  
17 own report.

18 Q. Let's go to the second page of the

19 report. Under B where it says "Definitions,  
20 confirmations together to the contracted party."  
21 Do you see that entry?

22 THE INTERPRETER: Definitions of  
23 services?

24 MR. STRASSBERG: I'm sorry. Where are  
25 you?

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2 Q. Page 2 of the report. Towards the  
3 bottom where it says B. Do you see that?

4 A. Okay.

5 Q. Can you tell me, can you read for me in  
6 the record what that says under starting with  
7 (Portuguese) from Portuguese to English.

8 MR. COOPER: Wait. What are you asking?

9 MS. GILMORE: I am asking her to read  
10 for the record what it says in English.

11 MR. COOPER: You want the witness to  
12 read the Portuguese and have it translated  
13 into English?

14 MS. GILMORE: I want her to translate  
15 that in English, to the best of your  
16 ability.

17 MR. COOPER: The witness?

18 MS. GILMORE: Yes.

19 MR. STRASSBERG: No. She is not a  
20 translator.

21 MS. GILMORE: Are you instructing her  
22 not to do it?

23 MR. STRASSBERG: That is not what she is  
24 here for.

25 MS. GILMORE: Okay, but I am asking her

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2 to do it if she can do it. She speaks  
3 English.

4 MR. STRASSBERG: That is improper.

5 MS. GILMORE: Why don't you do that.  
6 Why don't you translate what that says.

7 THE INTERPRETER: Should the interpreter  
8 just translate what the whole paragraph  
9 says?

10 MS. GILMORE: Yes, in English.

11 MR. STRASSBERG: So I am clear, there is  
12 no question. You are just asking her to  
13 read it in Portuguese?

14 MS. GILMORE: Yes.

15 MR. STRASSBERG: We object to that.

16 MR. MUSTOKOFF: What is the basis of the  
17 objection?

18 MR. STRASSBERG: Because that is not the  
19 purpose of a deposition. A deposition is to  
20 ask questions. The documents are the  
21 documents. So that is an improper question.  
22 We are not going to direct her not to answer

23 because I don't think it rises to that  
24 level, but it is improper use of the time of  
25 the deposition.

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2 MS. GILMORE: It is my deposition.

3 MR. MUSTOKOFF: To the extent the  
4 defendants have objected throughout the day  
5 about documents not being provided in  
6 English, in all accounts to have the witness  
7 read something in Portuguese and have the  
8 interpreter translate would probably be to  
9 everybody's benefit. Go ahead.

10 MS. GILMORE: Go ahead.

11 THE INTERPRETER: "Performing the  
12 bidding process was inefficient because the  
13 bidding committee recommended to contract  
14 services under the allegation that you would  
15 be with a total price that was appropriate  
16 and an advantage since it is only 5.28  
17 percent above Petrobras' budgeting, although  
18 the unit price list and the layout of the  
19 then bidding party did not only present  
20 costs" -- "did not only present inputs and  
21 costs that are not coherent, but are also  
22 inappropriate and excessive, and also due to  
23 a considerable difference between the unit  
24 prices proposed and the ones budgeted by  
25 Petrobras which were accepted without any

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2 questioning whatsoever. Under these  
3 circumstances, the bidding process should  
4 have been halted."

5 MR. COOPER: We object to the  
6 translation. It is not certified.

7 MS. GILMORE: You have made your  
8 objection many times.

9 Q. Ms. Foster, do you have any  
10 understanding why Petrobras wanted the language  
11 removed from the internal audit report on SMS?

12 MR. COOPER: Objection to form.

13 A. It was not Petrobras who wanted the  
14 language of the report changed. It was Mr. Amigo  
15 who was suggesting this to Mr. Zelada. It is not  
16 Petrobras, Graca or a board member, executive board  
17 member. This Jose Amigo not for this reason  
18 because I was not aware of this, I fired him to  
19 another planet for different reasons, for other  
20 reasons actually, for other reasons.

21 Q. I'm sorry. You said you fired Mr.  
22 Vilar?

23 A. When Zelada left the company, right  
24 after, I fired Mr. Amigo as well.

25 Q. Just to be clear, who did you fire?

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2 A. Zelada did not want to work with me at  
3 all.

4 Q. And you said you also fired Mr. --

5 MR. COOPER: Objection to form. She  
6 didn't say also.

7 A. The first one. This Jose Carlos Vilar  
8 Amigo.

9 Q. Why did you fire Mr. Amigo?

10 A. Because he could do things of this  
11 nature. Not this one exactly, but other things  
12 similar to this one.

13 Q. Can you tell me what other things  
14 similar to this one Mr. Amigo did?

15 A. He was this project's manager and his  
16 management was terrible. That is the reason why he  
17 left.

18 MR. STRASSBERG: So we are around 6:25.  
19 It may be a good time to break.

20 MS. GILMORE: I am just going to finish  
21 with this document and then we can break.

22 MR. STRASSBERG: Okay.

23 Q. Do you know that the language that we  
24 just looked at was actually removed from the final  
25 report? Did not appear in it?

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2 MR. COOPER: Objection to form.

3 A. I do not have the report from the top of  
4 my head as I sit here, but if it were up to me to  
5 speak with Gerson, I did not speak, so the real  
6 final wording must be there.

7 Q. What do you mean by that?

8 A. That no one changed the language to what  
9 Gerson wanted to write.

10 Q. And what did Mr. Gerson want to write?

11 MR. COOPER: Objection to form.

12 MR. STRASSBERG: Objection.

13 A. No. As far as I understood, that this  
14 gentleman Jose Carlos Amigo wanted Gerson to change  
15 the language in a way that Jose Carlos wanted it to  
16 be.

17 Q. To your understanding, who was ultimate  
18 decision maker as to what language goes in the  
19 audit report on SMS?

20 MR. COOPER: Objection to form.

21 A. Gerson, because Gerson is not connected  
22 to the CEO. He is linked to the board of directors  
23 of the company. What he wanted me to do was to  
24 influence Gerson according to what is written here,  
25 but he never said that to me.

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2 Q. And what was Mr. Gerson's position at  
3 the time?

4 A. He was the auditor.

5 Q. Was he the head of the audit team at  
6 Petrobras?

7 A. Not head, but he was auditing executive  
8 manager, which is one position below head of  
9 auditing, and like all auditors, they are linked to  
10 the board of directors. That is why he created  
11 this document without asking for permission to  
12 President Gabrielli or Zelada, because he was not  
13 required to do so.

14 Q. How do you know --

15 MR. MARTINI: Apologies.

16 THE INTERPRETER: Okay. So the  
17 interpreter will stand corrected, not head  
18 of auditing but head of division.

19 Q. Just one more question. Do you know  
20 whether Mr. President Gabrielli at the time was  
21 aware of efforts by Mr. Amigo to change the  
22 language of the audit report?

23 MR. COOPER: Objection. Foundation.

24 A. On February 17 of 2012 I was already a  
25 CEO. The CEO. Okay? Gabrielli was already in  
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2 Bahia.

3 MS. GILMORE: Okay. Thank you very  
4 much.

5 THE VIDEOGRAPHER: The time now is 6:29  
6 p.m. We are off the record.

7 (Time noted: 6:29 p.m.)  
8  
9

10 Subscribed and sworn to  
11 before me this \_\_\_\_ day of \_\_\_\_\_, 2016.  
12 \_\_\_\_\_  
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2 C E R T I F I C A T I O N

3

4 I, Joseph R. Danyo, a Shorthand  
5 Reporter and Notary Public, within and for the  
6 State of New York, do hereby certify:

7 That I reported the proceedings in the  
8 within entitled matter, and that the within

9 transcript is a true record of such proceedings.  
10 I further certify that I am not related,  
11 by blood or marriage, to any of the parties in this  
12 matter and that I am in no way interested in the  
13 outcome of this matter.  
14 IN WITNESS WHEREOF, I have hereunto  
15 set my hand this 29th day of April, 2016.

16  
17  
18  
19 JOSEPH R. DANYO  
20  
21  
22  
23  
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25

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2	I N D E X	
3	Witness	Page
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6	E X H I B I T S	
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1 APRIL 28, 2016 - MARIA DAS GRAÇAS SILVA FOSTER  
2 I wish to make the following changes for  
3 The following reasons:  
4 PAGE LINE

5 \_\_\_\_\_ CHANGE: \_\_\_\_\_  
6 REASON: \_\_\_\_\_  
7 \_\_\_\_\_ CHANGE: \_\_\_\_\_  
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25 Hudson Reporting & Video, Inc. 1-800-310-1769